DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

THIRD SESSION—FOURTEENTH PARLIAMENT

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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1924

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, June 11, 1924

The House met at three o'clock.

SALARIES OF POSTAL EMPLOYEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table of the House copies of correspondence between the government and the Civil Service Commission and the Board of Audit respecting the revision of salaries of postal employees. This is the correspondence which was requested yesterday by the hon. member for Charlevoix-Montmorency (Mr. Casgrain). What is tabled includes all the correspondence, but it does not include some of the statistical tables which accompany that correspondence. If, however, those tables are desired they can be brought down later.

Mr. MEIGHEN: Do the copies include the correspondence with the other various bodies which were supposed to co-operate with the commission—the Audit Board and the deputy ministers?

Mr. MACKENZIE KING: I think it includes all the correspondence between the government and the Civil Service Commission and the government and the Audit Board; I cannot be sure at the moment whether it includes the correspondence between the deputy ministers and the commission. I will have inquiry made and if necessary submit tomorrow such further correspondence as is not now included in what has been tabled.

Mr. MEIGHEN: Including correspondence between the Audit Board and the commission if there is any?

Mr. MACKENZIE KING: Yes.

HOME BANK INQUIRY

ROYAL COMMISSION, INTERIM REPORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the Table of the House the interim report of the Royal Commission appointed to inquire into the Home Bank, and I move that the said report be referred to the select standing committee on Banking and Commerce.

Mr. MACLEAN (York): When will the report be printed?

Mr. MACKENZIE KING: I shall make a motion in a moment respecting the printing.

Mr. MEIGHEN: What is the idea of referring the report to the Banking and Commerce committee? It was not the Banking and Commerce committee which was appointed to consider it. Perhaps this is done in pursuance of a motion made early in the session.

Mr. MACKENZIE KING: There was an order passed to refer all Home Bank matters to the Banking and Commerce committee.

Motion agreed to.

Mr. MACKENZIE KING: I move that rule 74 be suspended and that there be printed forthwith 750 copies in English and 250 copies in French, of the interim report of the Royal Commission appointed to inquire into the Home Bank, just laid upon the Table.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SALES TAX COLLECTIONS

Sir HENRY DRAYTON:

1. What amount has been collected under the sales tax during the fiscal year last passed in each city with a population of one hundred thousand or over?
2. (a) What amount of sales taxes were due and unpaid on the 31st March, 1924, and (b) what is the number of taxpayers in arrears on said date in each of said cities?
3. Have legal proceedings been taken against such taxpayers? If so, in what cities and what is the number of such proceedings in each city?

Hon. Mr. BUREAU:

1. Montreal	$26,278,911.39
Hamilton	5,583,635.03
Ottawa	1,570,821.44
Toronto	23,701,694.45
Winnipeg	4,987,623.56
Vancouver	4,263,942.46

2. (a) Total arrears at all ports on March 31, 1924, were $2,329,938.56.

(b)	Total
Montreal	1,078
Hamilton	86
Ottawa	69
Toronto	546
Winnipeg	156
Vancouver	123

3. For period 19th May, 1920, to date.

Montreal	97
Hamilton	13
Ottawa	17
Toronto	101
Vancouver	35
Winnipeg	25

DORCHESTER—FRENCH ACADIAN EMPLOYEES

Mr. DOUCET:

1. What is the name and position of each of the French Acadians holding superior positions in the Dorchester penitentiary?

2. What is the date of employment and salary of each, respectively?

Hon. Mr. LAPOINTE:

1. (a) Rev. P. P. Dufour, Roman Catholic Chaplain. (b) W. L. Allain, School Teacher and Librarian. (c) E. F. LeBlanc, Assistant Engineer. (d) A. P. Bourque, Keeper.

2. (a) Appointed Nov. 16, 1916. Salary $1,500. (b) Appointed Feb. 5, 1917. Salary $1,620. (c) Appointed Jan. 27, 1919. Salary $1,500. (d) Appointed Apr. 1, 1912. Salary $1,320.

UNITED STATES TARIFF

Hon. Mr. STEVENS:

1. Is there a clause in the United States tariff empowering the president to increase the duty against foreign goods entering the United States, under certain conditions?

2. If so, has the said law been invoked during the past two years, and how frequently and on what goods, and to what rate was said duty increased?

Hon. Mr. LOW:

1. Yes. Under certain conditions therein laid down, section 315 (a) of title III of the United States Tariff Act of 1922, empowers the president to increase or decrease duties up to 50 per cent. of existing rates. Powers of a related nature are conferred on the president in other sections of the act, particularly sections 316 and 317.

2. Yes. This law was made effective for the first time in regard to wheat. wheat flour, and certain wheat products, and on March 7, 1924, the following changes in the tariff were ordered by the president, to come into force in thirty days:

An increase in the duty on wheat from 30 cents per bushel of sixty pounds to 43 cents per bushel of sixty pounds;

An increase in the duty on wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, from 78 cents per hundred pounds to $1.04 per hundred pounds;

A decrease in the duty on bran, shorts, and byproduct feeds obtained in milling wheat (within the limit of total decrease provided for in the Tariff Act) from 15 per centum ad valorem to 7½ per centum ad valorem.

This law has also been invoked in the case of certain other products of minor importance, in regard to which the department has no complete information.

DUMPING DUTY ON COKE

Mr. EVANS:

1. Why was $1 per ton of dumping duty levied on a car of coke imported from Detroit by W. O. Sealy of Hamilton when the price paid F.O.B. Detroit was $6.50 per ton, which was the price at which coke was sold in the ordinary course of trade in the United States?

2. What was the name of the customs officer who made the levy?

3. Who made the regulation that coke bought in Detroit at less than $7.50 per ton was subject to the dumping clause?

4. How long has such regulation been in force?

5. May goods be held to be dumped when the price paid is the ordinary charge in the country of origin?

Hon. Mr. BUREAU:

1. On report of investigating officer that the selling price to purchaser in Canada was less than the fair market value when sold for home consumption in the usual and ordinary course of trade.

2. Collector of Customs and Excise, Hamilton, Ontario.

3. No regulation, but instruction by Appraising branch that invoice did not represent fair market value.

4. Answered by No. 3.

5. No, provided price paid is not less than the fair market value of the goods when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of their exportation to Canada.

BEER MANUFACTURED IN MANITOBA

Mr. WARD:

1. What total quantity of beer was manufactured in Manitoba in each of the years 1915 to 1923, inclusive?

2. What revenue accrued to the Dominion from the manufacture of beer in Manitoba in each of the years 1915 to 1923, inclusive?

3. What reports of violations of provincial liquor laws by breweries in Manitoba have been made to Dominion authorities for each of the years 1915 to 1923, inclusive?

4. What decision, if any, has been reached by the Government as to the continuance of license to breweries, found guilty of violation of law?

5. What total quantity of wines and spirituous liquors were (a) imported into Canada: and (b) manufactured in Canada, in each of the years 1915 to 1923, inclusive?

6. What total quantity of beers and malt liquors were (a) imported into Canada; and (b) manufactured in Canada, in each of the years 1915 to 1923, inclusive?

Hon. Mr. BUREAU:

1 and 2. Statement showing the quantity of malt liquor manufactured in Manitoba, and the excise duty and excise taxes accrued on same for the fiscal years ending March 31, 1916 to 1924, inclusive.

Year	Malt Liquor manufactured Gals.	Excise duties on Malt Liquor	Excise Taxes
1916..	2,658,488	$ 9,347	.....
1917..	1,666,090	4,254	.....
1918..	1,838,477	6,142	.....
1919..	1,551,185	3,681	.....
1920..	2,178,527	8,069	.....
1921..	2,212,918	8,167	$142,014
1922..	1,576,019	2,742	15,336
1923..	2,377,223	9,234	130,360
1924..	2,475,624	28,032	192,511

5 and 6. Spirits and malt liquor manufactured in Canada for the fiscal years ending March 31, 1916 to 1924, inclusive.

Year	*Spirits Proof Gals.	Malt Liquor Gals.
1916..	3,450,012	39,603,080
1917..	6,400,119	34,949,683
1918..	3,566,955	28,717,539
1919..	4,187,109	26,247,562
1920..	2,356,329	36,984,278
1921..	4,194,691	36,194,626
1922..	5,050,188	38,541,746
1923..	3,828,879	36,902,066
1924..	4,411,896	44,080,490

Imports of malt liquors, spirits and wines entered for consumption in Canada during the fiscal years ended March, 1916 to 1924.

Year	Malt Liquor Gals.	Spirits Gals.	Wines Gals.
1916..	331,633	2,341,765	514,860
1917..	188,155	1,665,096	530,631
1918..	100,723	1,208,707	529,017
1919..	17,903	441,633	223,865
1920..	38,760	1,444,601	720,556
1921..	66,738	3,554,214	694,149
1922..	46,706	1,368,297	364,517
1923..	54,134	1,210,413	341,983
1924..	96,339	1,388,186	567,719

*No records are available in this department covering Canadian manufacture of wines.

3. Mr. J. H. MacLean, chief inspector under the Manitoba Temperance Act advised the department on the 17th of February, 1922, that fines were imposed upon the following brewers for violations of said act.

The E. L. Brewery Company, Winnipeg, Man., February 28, 1921, $200; November 14, 1921, $300; December 20, 1921, $1,000.

Frank P. Shea, Winnipeg, Man., October 20, 1921, $300.

The Home Brewery Company, Winnipeg Man., December 19, 1921, $1,000; January 16 1922, $200.

Idelweiss Brewery, Winnipeg, Man., March 21, 1921, $300; August 30, 1921, $500.

4. The department is advised that the minister lacks authority to terminate such licenses under section (2) of chapter (19) of the statutes of 1916, unless they have been forfeited by the court, pursuant to the said section, as an additional penalty.

UNITED STATES WHEAT IN CANADIAN ELEVATORS

Mr. SPENCER:

What quantity of wheat, if any, originating in the United States was taken into public or private terminal elevators in Canada in each of the years of 1921, 1922 and 1923?

Hon. Mr. LOW:

No wheat of United States origin is handled in the public and private terminal elevators in the Western Inspection Division. A small amount of United States corn sometimes is received at the head of the lakes. The public elevators in the eastern inspection division, however, regularly receive considerable quantities of United States wheat in transit. The amounts handled during the crop years ended August 31st, 1921, 22 and 23 were as follows:

Public elevators in the east—Bush.	Crop year ending August 31 Bush. 1921	Bush. 1922	Bush. 1923
C.N.R. elev., Depot Harbour..	197,873	1,636,639	915,012
C.P.R. elev., Pt. McNicoll	6,917,322	9,056,995	8,171,966
Aberdeen Elev., Co., Tiffin..	742,671	538,110	353,390
Midland Elev. Co., Midland..	746,112	808,397	477,944
C.N.R. elev., Tiffin. ..	1,889,574	1,808,572	3,195,260
C.N.R. elev., Collingwood..	.....	53,466	.....
Goderich Elev. & Transsit Co., Goderich. ..	60,880	113,428	70,645
Dom. Gov. elev., Pt. Colborne..	6,599,629	9,200,367	8,865,903
Maple Leaf Mlg. Co. Pt. Colborne..	1,097,392	.....	1,474,267
Harbour Commissioners elevators 1, 2 and B., Montreal..	10,938,671	25,864,944	26,261,481
*Montreal Warehousing Co..	2,443,046	5,512,166	3,132,678
Harbour Commissioners elevator Quebec.. ..	40,011	634,709	408,894
W. St. John, C.P.R. elevator..	1,014,940	197,743	102,994
St. John, C.N.R. Elevator..	679,492	30,440	55,107
Total..	33,367,613	55,455,976	53,485,541

*On March 2, 1923, Montreal Warehousing Company's elevator was taken over by the Montreal Harbour Commissioners as elevator "B" and wheat received is

included in the amount of the Harbour Commissioners' elevator from that date to the end of the crop year.

Note.—It must be borne in mind that a large part of this wheat is shown twice—first as a receipt at the lake ports, then again at the elevators in Montreal, Quebec or St. John, N.B.

CANADIAN CUSTOMS OFFICER AT NEW YORK

Hon. Mr. STEVENS:

1. Did the government pass an order in council, providing for the establishment of a Canadian customs officer at New York to facilitate the transfer of goods originating in eastern Canada and destined to the Pacific coast port of Vancouver?

2. If so, has such officer been appointed?

3. If no such officer has been appointed, what is the reason?

4. Did said order in council limit the shipment of such goods via New York to British bottoms; if so, why?

5. Has the government received representations from Vancouver board of trade requesting the elimination of such limitation?

6. If so, has the government reached any decision in the matter or when can such decision be expected?

Hon. Mr. BUREAU:

1. The order in council provides for a Canadian customs officer being stationed at the point of transfer in the United States, and for the transfer of the Canadian goods from car to vessel and vice versa, and from vessel to vessel, to be made in the presence of the officer and to be certified by him.

2. No Canadian customs officer has as yet been assigned to duty at any place in the United States under the provisions of this order in council. When the department has been notified that Canadian goods have arrived at a place of transfer in the United States under special customs manifest as provided in the regulations, the department will assign an officer to supervise the transfer of the goods under the provisions of the regulations.

3. Answered by No. 2.

4. Yes. For the purpose of confining the benefits of this trade to Canadian and British vessels.

5. Yes.

6. No change in the present regulations is contemplated.

MEMBERS OF PARLIAMENT—WEMBLEY EXHIBITION

Miss MACPHAIL:

1. How many steamship passages have been booked for England for members of parliament by or on behalf of the government in connection with the British exhibition at Wembley?

2. With what steamship company have the passages been booked?

Hon. Mr. ROBB:

1. None.

2. Answered by No. 1.

[Mr. Low.]

DOMINION ELECTIONS ACT AMENDMENT

On the Orders of the Day:

Right Hon W. L. MACKENZIE KING (Prime Minister): I want to ask my right hon. friend the leader of the opposition (Mr. Meighen) whether there would be any objection to our proceeding with the second reading of the bill regarding the transferable vote?

Mr. MEIGHEN: Although I am in a very conciliatory mood I cannot agree to that; it would be the last thing I would want to proceed with to-day or, indeed, any other day.

Mr. MACKENZIE KING: It was understood that we would proceed with the matter yesterday, but if my right hon. friend prefers that it should still be deferred we will take it up at the first favourable opportunity.

TRUST COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to amend the Trust Companies Act, 1914, and to provide,—

1. That the Superintendent of Insurance shall annually ascertain and certify the total amount of the expenditure incurred by the Government for or in connection with the administration of the Act during the last preceding fiscal year, and the total amount of income received during the last preceding calendar year by each company, and the findings of the superintendent shall be final and conclusive.

2. That thereupon the superintendent shall ascertain the ratio or percentage which the total expenditure so found and certified bears to the aggregate of the income aforesaid, and shall assess each of the companies an amount equivalent to that percentage of the total amount of the income received, and such assessment when certified by the superintendent shall be binding upon the said companies, and be final and conclusive.

3. That the amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the superintendent, and may be recovered as a debt in any court of competent jurisdiction.

Sir HENRY DRAYTON: Will the minister explain the resolution?

Mr. ROBB: The purpose of the amendment is to make some minor changes defining the classes of securities that would come under the act. The investments are also defined, with certain reference to loans to shareholders and directors and to provide for assessment for administration and inspection. As my hon. friend knows, the cost of inspection is at present entirely levied on the insurance companies and we propose under the three bills which we intend to submit to assess on the

trust companies, the loan companies and the insurance companies.

Sir HENRY DRAYTON: My hon. friend is right. Formerly the cost of inspecting trust companies and loan companies was comparatively so trifling that no assessment was made, and there was no objection to the use of the surplus under the Insurance Act for that purpose, although strictly perhaps it ought not to have been so used. Has the cost gone up very much, and are we going to have expensive bureau work in connection with it?

Mr. ROBB: No, we do not anticipate any additional expense. We simply propose to spread the cost over the three classes of companies.

Mr. MEIGHEN: Am I right in assuming that what the minister proposes is to take the cost of inspection during the previous year, and assess it in proportion to the income of the insurance companies?

Mr. ROBB: —and the loan companies and trust companies.

Mr MEIGHEN: And that this power of assessment shall be wholly in the hands of the superintendent, with no appeal from his decision?

Mr ROBB: I am not sure about the question of appeal.

Mr MEIGHEN: There is no appeal The bill says that:

—such assessment shall be binding upon the said companies, and be final and conclusive.

Before I would care to assent even passively to the principle, I should like to know what the minister's view is on this whole question of inspection of companies. We have gone pretty far in connection with the inspection of banks in certain proposals put forward by the minister this session. It is said that consultation involves responsibility. Well, if it does, inspection involves responsibility many times more. I have no question mark in my mind at all as to the wisdom of government inspection so long as its efforts are directed towards reasonably safeguarding the public of Canada; but I have a great question mark in my mind as to the wisdom of government going into the field of inspection where its wards whom it is supposed to be protecting are not the public but are merely investors, debenture holders and people of that class. I hope the government is not going too far. I am not making any objection; in fact the question mark in my mind is: Have we not gone too far already? Also, are we not pushing the powers now vested in our officials too far? Are we not delving at the roots of enterprise and all the time involving responsibility on ourselves to a great degree, not on behalf of the public of this country, but really on behalf of investors who are entirely competent to look after themselves?

Mr. ROBB: My hon. friend must bear in mind that some of these trust companies and loan companies under their charters invite and secure deposits from the public. I think it is quite reasonable that we should have a measure of inspection of these companies as to their investments and administration.

Mr. MEIGHEN: I am not raising the point at all in so far as depositors are concerned. But I should like to have the minister's view as to how far we should go in seeking to protect debenture holders in this and other lands and thus incurring a degree of responsibility on behalf of people who can look after themselves a lot better than we can.

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

On section 1:

Sir HENRY DRAYTON: How many men are now employed?

Mr. ROBB: There are about eight or nine men, but they are inspecting all the companies. During the past two years one man has been devoting his time largely to the inspection of trust companies and loan companies.

Mr. HANSON: I see by the estimates this year that in the insurance department there are thirty-two employees, and that the salaries and contingencies total $131,550. Under this and the other two resolutions on the order paper is it proposed to put all the expense of inspection on the companies? And what has been the increase in the cost of this department in the past ten years?

Mr. ROBB: The percentage of increase has been less than the increase in the number of companies and the assets involved. The expenses which the hon. member quotes were formerly altogether charged to the insurance companies; now we propose to apportion them among the insurance companies, the loan companies and the trust companies in proportion to their business.

Mr. HANSON: Do I understand from the minister that the assessment is now and has been for some time made on the insurance companies for the cost of their inspection? And does that cost cover all the items set out under the details of Civil Government on page 103 of the estimates? In other words, is the country recouped by the insurance companies for the total cost of the department?

Mr. ROBB: Oh yes, the insurance companies pay the total cost of the administration of the department now.

Mr. HANSON: You propose to spread the cost over the three classes of companies?

Mr. ROBB: Yes.

Mr. CHURCH: Some weeks ago I introduced a motion regarding these trust, loan and insurance companies, asking for further safeguards, inspection and audits to further protect the public and those interested in and dealing with these companies. A survey is needed and additional safeguards to protect all concerned. Are we to wait until the loan, trust and insurance companies follow the Home Bank's example? What inspections are there of these companies, and what is being done to further protect the public? What are the functions of a trust company? The act has not been consolidated and revised since 1914, and trust companies have gone far afield and beyond the functions intended by parliament, with the skilful way lawyers can draw agreements. Trust companies to-day are doing a banking, real estate and general business, and usurping powers never intended by parliament. The Home Bank inquiry shows how they go far afield, and how such a company can be the backbone of a bank, a trust, and a restraint of trade. The whole Insurance, Loan and Trust Company General Act should go to the Banking and Commerce committee, a survey should be made and the act revised and consolidated and brought up to date to protect the public before these companies follow the Home Bank way of doing things. All these acts need overhauling. Are we to wait until it is too late. These companies are exercising powers never intended by parliament.

Mr. ROBB: We have an inspection in that regard, and a report is published each year and may be obtained from the Superintendent of Insurance. The last one I have in my hand is dated the 31st of December, 1922, and we have a preliminary report now out for the period ending 31st December, 1923.

[Mr. Robb.]

Mr. MEIGHEN: The minister has had a recess now; perhaps he will venture to give us an opinion on the question I asked about. I think it is fundamental; it is the root of the whole matter.

Mr. ROBB: That is, as to guarding investors?

Mr. MEIGHEN: I want the minister's opinion about the wisdom of the government of Canada making itself the guardian of debenture holders, clothing itself with powers and responsibilities to safeguard any except the public of our country. The principle was conceded long ago of guarding the public in respect to deposits made in response to an invitation extended to the people generally. But what does the minister think about our inspecting with a view to protecting debenture holders? Just to make the case specific: The minister has talked pretty strongly in the past against the drift to socialism, but if I were drifting that way this is about the last by-way of socialism I would want to tumble into. Why do the debenture holders need our help?

Mr. ROBB: We are not making any change in the act in that regard. The act we are working under now was the act adopted in 1914, and my right hon. friend supported the government that introduced it.

Mr. MEIGHEN: The act has been amended, and amended under this government, in this very feature. There has been continuous expansion. I am not sure I can defend all the expansions that went on even under the late government; one cannot follow every detail. But there has been a growth, and I think a dangerous growth, since. Now, what does the minister think of it? Is it right or is it wrong? If we start or if we continue in this direction—and this is going to encourage the continuance, because this gets the money to keep enlarging the staff, building up an extensive department, sending men here, there and everywhere, inspecting this company and that for fear somebody will lose some money over in Scotland—where are we going to end? Suppose after all somebody does lose something—the hon. member (Mr. Jacobs) laughs.

Mr. JACOBS: I was laughing at the idea of Scotland being a place where any one would lose money.

Mr. MEIGHEN: I got the point, especially coming from the hon. member.

Mr. McMASTER: Almost as strange as from Palestine.

Mr. MEIGHEN: If we keep on, notwithstanding anything we do there is sure to be trouble, and when that trouble comes are we not going to be in a position where we cannot answer the demands of the debenture holders to be recouped by the Dominion of Canada? In a word, what need we care? If there is one class of people in the world who are able to look after themselves it is the money lenders. Had we not better keep out and let them look after themselves, rather than make provision that will involve increase of staff, the final object being only to pile greater and greater burdens on our own shoulders?

Mr. ROBB: There is no intention of increasing the staff; it is just a question, as I said before, of distributing the cost. It was determined in the amended act of 1920 what were the liabilities and what should be the nature of the report submitted to the department. I find in the statement of liabilities in the schedule to the act that the very first item is marked, "Liabilities to the public; amount of debentures or debenture stock issued and outstanding." We require that, and my hon. friend will recognize that debentures are regarded as a liability to the public. We are not rescinding that; we are not changing, enlarging or reducing it.

Mr. MEIGHEN: The minister has made no answer at all. Even if the act were passed in 1920 we still have the question before us, are we going to continue the principle there adopted? I do not admit, though, that the minister has shown that the principle was there adopted. It may be quite right that returns should be made to the government of debentures outstanding; we need to know that. But we do not need to know it for the sake of looking after the debenture holders. The minister will not deny that his department has assumed that duty of superintending, inspecting, demanding reports and all the rest of it, with a view to seeing that the debenture holder does not lose any money. I am under the impression, and I do not care whether I am right or wrong, that the amendments made after this government came in had that object in view. But for the sake of argument, I will let the minister assume they were made before. If they were made before, does the minister not think we ought to discontinue, and the sooner the better?

Mr. ROBB: I would not admit that. It would be admitting that my right hon. friend was wrong in 1920, and of course I would not like to do that.

Mr. MEIGHEN: If that will help the minister, let it go at that. But surely he will come to the point: Why should we continue if it is wrong? I think the amendments were made since, but let that go. Goodness knows it is enough for us to look after the public of Canada. The depositors are the only people we need to look after in relation to these companies; that is the way it appears to me. Once we have done that let us be done with it and let the other people look after themselves.

Mr. ROBB: Well, we advertise to the world that we have government inspection of these companies.

Mr. MEIGHEN: Very lately. When did we advertise that?

Mr. ROBB: In the act of 1920.

Mr. MEIGHEN: We are not advertising in Scotland. Our public here know we have inspection. That is what is intended.

Mr. ROBB: Have we not some obligations to investors in securities of this kind in Scotland as well as to our own people?

Mr. MEIGHEN: No, I do not think so.

Mr. CHURCH: Since the passage of the act of 1914, in which the functions of trust and loan companies were set out, owing to the way in which lawyers draw agreements trust companies to-day are doing a banking and all kinds of business, a real estate business, and so on. It was in 1913-14 that this whole act was revised by a select committee of parliament. Why should not this resolution go to the Banking and Commerce or some other committee? They had an investigation in the United States into the matter of trust companies and it was found that those companies were fulfilling functions which had never been intended by the senate or by congress. They were going into the banking business, the railway business, the real estate business, and generally entering upon activities which were not contemplated in the acts under which they operated. Are we going to wait until another disaster like the Home Bank occurs before we take action? I contend that the acts respecting trust companies, loan companies and insurance companies, should be revised to protect the public—in addition lapsed policies of insurance cited in the inspectors report are revealing a state of affairs which should not exist in Canada—these whole resolutions should be referred to the Banking and Commerce committee, together with this Trust Company resolution,

for investigation and report, because these companies are going far beyond their functions under the general act of 1914.

Sir HENRY DRAYTON: I do not know that we have got very much further in understanding where this matter stands. I think my hon. friend will agree with me that there are functions in connection with inspection which are more of an inquisitorial character than judicial in their exercise, not calling for the exercise of judgment—certainly not calling for the substitution of a civil servant's judgment for the business judgment which ought to be exercised by a director. I rather apprehend that is the real point that my right hon. leader seeks to make clear. Just to illustrate, take the act of 1920. The finding of the amount of bond issues, and that sort of thing, is merely an inquisitorial function; it is merely finding out the fact, and making public an expression of the fact. That is one thing about inspection, and that is only an illustration that will apply in all the different fields.

The next thing about inspection is that there is not only an inquisitorial function, but a function that requires the exercise of a nicety of judgment; for example, the determination of the value of securities, the determination of the propriety of the policy which the company may have entered upon. Now, if we adopt—and my right hon. leader thinks we ought to adopt—the policy of looking after the more or less uninformed public which uses these companies for the purpose of deposit, it is manifest that the mere official act of ascertaining the figures and reporting the figures under their different heads cannot protect those depositors. Inspection has to be carried further. The official has to exercise judgment, and judgment of a high order. He has to determine upon securities and investments, for instance; he has to determine to some extent upon company policy. Now my right hon. leader has admitted in effect that that ought to be so, so far as these people are concerned. Who are these people? These people are the citizens, not of necessity informed at all in matters of finance, who are putting into these institutions the little savings they make from time to time. That is admitted at once to be a proper field of government operation. Now you can carry it further. You can carry your inspection, your valuation, your criticism, yes, indeed, you can carry your reversal of company policies, to the point of making sure not only that those are safe who are not in a position to ascertain for themselves the safety of their depository, but to the point of looking after the general business investor, the shrewd man of affairs and the like. That is what is done when we look after this question of debentures. My right hon. leader illustrates Scotland, and he takes Scotland because it is known very well that nearly all these moneys were raised at a low rate of interest in Scotland,—or at least this was the case before the war, and I hope soon will be again—and they are looked after there by gentlemen who are very, very efficient in looking after securities of this character.

Now, after pointing out the groundwork to my hon. friend, and if I am wrong in it I want him to correct me, I want to see what he thinks of this. In the first instance I take it that he would say, and I would agree with him in saying, that the function of the department should be carried, if necessary, to the point of reversing company policy in order to save the depositor; to the point that values may be written down, that certificates may be withheld. But will he go to the point of saying that in connection with these companies, whose obligations to a very large amount consist of these debenture moneys, the government official ought to take the place of the directorate and the management, and ought to say whether they can carry on or not, and whether or not the certificate will be withdrawn? That is the logical result of these things. Now it is not so much a matter of law perhaps, as it is a matter of administration, and it is an exceedingly hard thing when you get to the final point as a matter of administration, as my hon. friend has found, and as I know I found it to be, to say whether the judgment of what after all is an irresponsible government official,—and I use that term "irresponsible" merely to indicate that he has no monetary interest in the company, shall be substituted for the judgment of the directors who may have their all in it.

Mr. ROBB: Suppose a case came to the attention of the government where the directors did not have anything in it?

Sir HENRY DRAYTON: Then their position is very much like that of the government official. But usually directors have a monetary interest in the concern, and they ought to have a monetary interest in it. Perhaps it would be well to consider making a change in the act to provide that the directors should have a substantial interest in it; that is the way of dealing with that problem. But it is a very difficult matter, I think my hon. friend will agree, to find out, first, when absolute interference with corporate rights is justified, and secondly, what is to be regarded

as a just cause for that interference. It is not at all difficult to imagine a situation where the company finds itself with two avenues open to it; for example, it may have made loans which everybody would regret; the values may have largely disappeared, and it becomes a question whether or not taxes and interest should be paid in order to preserve the investment. Now it well might be that one acting in the very best of faith would say: You are simply throwing good money after bad to do it. Again, it well might be that with the turn of the wheel it would have been insanity not to have put up the money. The difficulty that I see, when we get down to the point where you are going right to the very end of the company's activities, is how on the one hand to preserve anything like proper business administration by the directors, and at the same time give effect to the full provisions of the act. It can be done easily enough so far as the depositors are concerned, because as a rule the depositors' interest in these companies is relatively very small and the whole interest of the department would be to see that there was always left intact enough liquid assets, or assets readily convertible, to meet the claim of the depositors. A company, indeed, would have to be in a very bad position before that time came. On the other hand where you have companies with a tremendously large debenture debt—and some of our very best companies have that—if the work of the inspector is to include the whole of that, why the margin as to apparent absolute solvency may become very narrow from the standpoint of the debenture holders of the company. There we are getting on difficult ground. I really think the hon. gentleman should give us an idea of what is to be done.

Mr. MACLEAN (York): I should like to point out that from the facts that have transpired before the Banking and Commerce committee the banks are closely allied with trust companies, and the latter ought to be inspected in the same way that the former are to be. If the proposition now before the House is in that direction I certainly would endorse it. The same remark would apply to insurance companies. In the public interest they ought to be protected by some system of inspection such as is provided for by the resolution coming up later.

Mr. HARRIS: How far will this inspection guarantee to a greater or lesser extent protection to the institutions concerned? If the inspection carries with it no responsibility on the part of the government, and does not increase the responsibility of the directors of the different companies, I am absolutely opposed to it.

Mr. ROBB: There is no government guarantee. My hon. friend knows that in common law there is no recourse against the Crown; but the inspection is a protection and a safeguard to the public. Legislation providing for the inspection of loan and trust companies was first introduced in 1914; the law was amended in 1920, and additional amendments were made in 1922 to provide some further protection. My hon. friend, I imagine, argues from the point of view that the claims of the depositor have some preference. I should like to point out that the debenture holders and the depositors rank equally, therefore anything that affects the solvency of the company as a whole affects the depositors as well as the debenture holders.

Sir HENRY DRAYTON: Ought not that to be amended?

Mr. ROBB: No, I would not admit that.

Mr. MEIGHEN: Suppose there are no depositors? Suppose they are all out of the road, should the government keep on looking after some of them?

Mr. ROBB: We cannot legislate for every individual company. The law must be general in its nature and applicable to all companies doing business. Let me point out to my hon. friend, who has a pretty clear mind, this fact: He brought up the question a moment ago of looking after the Scotch debenture investor. Suppose there is a company doing business in Canada, having a Canadian charter, taking deposits from Canadians and selling debentures in Scotland or any other country at a price that will cost the company 8 per cent here while they are investing money in Canada at a net rate of 7 per cent. How long will they keep going on that line without destroying the security of their depositors? I think that will appeal to my hon. friend.

Mr. MEIGHEN: My hon. friend does not know the Scotch or he would not expect to sell them any of these debentures.

Mr. ROBB: We must consider the effect of exchange. My hon. friend a moment ago brought up the question of directors. Suppose that in the case of some of these companies the directors have borrowed from the companies sums far in excess of the amount they had invested in the enterprise, does my hon.

friend think it would then be time for the department to step in and see to it that they conformed to the loan and trust law introduced by himself?

Mr. MEIGHEN: We must certainly see that the law is carried out, and, if the law as to the responsibility of directors is not strong enough make it stricter. But that is a very different thing from going in, after the law is carried out, and valuing real estate here, there and everywhere all over Canada, and getting into all sorts of conflicts in order to make sure, if possible, that debenture holders are not going to suffer. The debenture holders will look after themselves both when they are making the investment and afterwards. If the minister is right why not go into commercial companies also? They are capable of just this same kind of thing,—why not go ahead and supervise their business? I do not know where we are going to stop. It simply means that we are becoming grandmother and wet nurse for the business of the country. What we should seek to do is to look after the public of Canada, no more and no less. It is only of recent years—that is to say comparatively recent years—that we have gone so far as to make the government of Canada responsible for depositors. But if we are going to apply the same principle to loan and trust companies and watch the interests of debenture holders here, there and everywhere I think it is a very dangerous path for the government to enter upon.

Mr. HEALY: I am absolutely in accord with the proposed resolution. We are about to put the chartered banks of Canada under government inspection. Now, these loan and trust companies are bidding for deposits against the chartered banks and at a higher rate of interest. Therefore there is no difference between a deposit and the debenture that is sold in Canada at the present time. The short term debentures of loan and trust companies are sold and bear interest at the rate of 4 or 4½ per cent, and the company allows the money to be drawn after the lapse of six months on fifteen days' notice. It is absolutely a deposit such as the banks receive, except that it is for a longer period of time. If the chartered banks of Canada are placed under government inspection then the companies competing against them for deposits—whether it is a daily or monthly deposit, or a deposit for six months—in the form of debentures should be placed under identically the same form of inspection. The inspection need not go into the byways and highways of the country valuing real estate at all. That can be carried on at the head office, just as the proposed inspection is going to be carried on in the case of a bank, and the valuation of real estate can be taken from the valuation as submitted by competent valuators such as these companies have in their pay all over Canada. I think inspection is certainly necessary in the case of these institutions from the fact that they are competing daily with the chartered banks of Canada.

Sir HENRY DRAYTON: My hon. friend has not caught the point to which I was addressing myself. I am not objecting to this inspection; I am trying to point out some of the difficulties we have in carrying it to the length it is apparently proposed to carry it. My hon. friend has not read the act. Had he done so he would have found that we do bother about real estate. That duty is thrown upon us.

Mr. HEALY: Certainly.

Sir HENRY DRAYTON: It is just as well to look into these things before we talk about them. In the next place I point out to the Acting Minister of Finance that it is because of the legislation of 1922 that matters have been pressed to the length that they are now being pressed. It was not done before and could not be done before. I pointed out in the first instance that in the act of 1922 provisions very much more stringent in connection with the companies are made; and we find very plain regulations, and plain distinctions as to what is proper security and what is not, which is a good thing, and was done before. We have a list showing how they can invest their money, which occupies over a page of the statute. We have another list which is set out, and then this duty is imposed on the Inspection department, under section 6:

> The following sections are inserted after section 70A, inserted by section two of chapter 21 of the statutes of 1920:—
>
> 70B (1) In his annual report prepared for the minister under the provisions of section 70 of this act, the superintendent shall allow as assets only such of the investments of the several companies as are authorized by this act, or by their acts of incorporation or by the general acts applicable to such investments.

Hon members will see that so far as that is concerned, it is a mere ministerial act, pointing out what can be done properly: That is, checking the list of investments and seeing

whether they fall within the character allowed by this long list Then we have the provision:

(2) In his said report the superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the assets or liabilities of such companies to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office thereof or otherwise.

That examination is carrying out the terms of the act, placing the securities in their proper columns, with proper deductions, and there is no difficulty there at all. However, the inspector is given a right to take hold of the company as such, and this is the matter we are talking about. This right was not given in 1920, but in 1922, and it reads:

(3) The superintendent may request any company to dispose of and realize any of its investments acquired after the passing of this act and not authorized by this act.

That order might be given at any time when nothing could be got for them. Suppose the company buys some stock that never should have been bought, and there is a slump in connection with it in the market, and the directors say "Leave that alone, we know it will be all right again; we know what the assets of that company are; leave them alone;" under this act the superintendent has the right to say, "No, sell it now." Perhaps the delay of a month, and the exercise of the business judgment of the directors, might enable them to realize on the investment, but after that order it becomes a matter of law that the companies must absolutely dispose of the stock within sixty days. And if the amount realized therefrom falls below the amount paid by the company for the stock, the directors shall be jointly and severally liable for the payment to the company of the amount of the deficiency; that is the provision in this section, and it is a very wise provision, it makes the directors personally liable for an investment that should not have been made. This is very different from the provision the minister suggested, that the directors could have no personal interest in these matters. The minister's own act says that if a director makes an unauthorized investment he is personally liable for it. That is quite right. It is idle to say that the directors have no interest. Their direct interest is to save the company from all loss, because if they do not do so they themselves lose. Now, there is a right of appeal to the Exchequer court and so on. My hon. friend from North Essex (Mr. Healy) referred to the question of real estate, and to the business way of doing it. I am sorry he has left the room. We have an express provision put in as to real estate which reads:

70C. If upon an examination of the assets of any company it appears to the superintendent, or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either require such company to procure an appraisement of such real estate by one or more competent valuators, or may himself procure such appraisement at the company's expense, and the appraised value, if it varies materially from the return made by the company, may be substituted in the annual report prepared for the minister by the superintendent. If, upon such examination, it appears to the superintendent, or if he has any reason to suppose that the amount
4 p.m. secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater than the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner require the company to procure an appraisement thereof, or may himself at the company's expense procure such appraisement, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off such loan and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

I am pointing this out for the purpose of showing the minister that the superintendent's powers—not under the legislation of 1920, as he supposed, but under the legislation of 1922—are very great. Why, his powers of management indeed are as great as those of the management itself. If it appears to him that some of the assets are not worth as much as they ought to be then, if he wants to manage the company, he steps in, and under the act he has the right to impose his business judgment upon the company even against the judgment of the management. I simply rose to ascertain to what length the minister thinks this inspection ought to go, and whether it is to go to such a length that it of necessity substitutes the judgment of an official of the department for that of the management and directors. Now, all directors are not either imbeciles or fools. The great majority of them have done pretty well.

Mr. ROBB: Hear, hear.

Sir HENRY DRAYTON: And have made an excellent return for their companies.

Mr. ROBB: Hear, hear.

Sir HENRY DRAYTON: And they know a good deal more about any particular district in this country where they are operating than it is possible for any government official to know. And difficulties in connection with

these companies usually occur by something going wrong in a particular district. Does the minister think that this scheme of inspection—which was supposed to be for the purpose of seeing first that law was administered and the affairs of the company carried on reasonably and properly with proper books and the like—is to be extended to such a point that the judgment of a government official may be substituted for the judgment of the management and the company immediately closed?

Mr. JACOBS: Does the hon. member remember a case in Winnipeg two months ago, where a life insurance company invested all its capital in a washing machine company?

Sir HENRY DRAYTON: Yes, that was an awful thing to do.

Mr. JACOBS: Do you suggest that this new Superintendent of Insurance would prevent such an occurrence?

Sir HENRY DRAYTON: No, and I do not see the bearing of the question. There is full inspection under the act, but we are talking about another matter now. There is no use starting out with a question like that, when we want to know where we are going. We want to know whether or not, in the minister's view, this inspection, which started out on the lines I have indicated, is to be carried to such a point that power is given, perhaps without responsibility to any one, as the minister says, and without recourse even in the case of an entirely mistaken policy, to substitute the judgment of a government official for that of the management in connection with the whole of the undertaking.

Mr. ROBB: May I point out again that the inspection clause which my hon. friend quoted was taken precisely, word for word, from the Insurance Act of 1917. As to the "will of an official of the government," let me say that the revaluation can be made only by an independent appraiser; it is not the inspector of the insurance companies who will value the properties but a recognized independent appraiser. The act has been administered fairly and well for some years, the officials being very largely the same persons who administered the law under my hon. friends.

Mr. MEIGHEN: It is a different act.

Mr. ROBB: Let us get down to brass tacks. Will my hon. friend tell us where, if in any degree, the Inspector of Insurance has done anything to injure a company?

Mr. MEIGHEN: I am not going to wash linen in this House in regard to any company, but what I am trying to argue before the minister—and I did expect he would meet my argument favourably—is the unsoundness of the principle. The hon. member for George Etienne Cartier (Mr. Jacobs) tells of cases where companies have made gross blunders. Does he realize that one of these companies was inspected?

Mr. ROBB: No.

Mr. MEIGHEN: It was not? Why was it not?

Mr. ROBB: It has a provincial charter.

Mr. MEIGHEN: The provinces have got out of this responsibility and I venture to say they are glad.

Mr. ROBB: To the detriment of the policy holders of the company.

Mr. MEIGHEN: Insurance companies, of course, differ from trust and loan companies, and the policy holder does deserve a little more in the way of safeguarding at the hands of the government than do the men who loan money to trust or loan companies. But I would not go too far in assuming responsiblity in connection with insurance companies either, for I do not know where we should find ourselves. I do not doubt for a minute that there are many power companies, for instance, the directors of which have little if any financial responsibility in the way of investments. But they have entered upon a great enterprise and it is our business to see that they lay the facts before the investor. That having been done, however, are we going to inspect these companies too, because they have charters from us? They are quite capable of making mistakes. They might buy washing machines or anything else; but why should we be their guardians? Why should we sit at their desks? Should we have an official with power to value their property, revise their books, and generally to take the place of their managing director the official is of the opinion that they are not managing their business properly? Really, I cannot see the difference between these companies and the others we are discussing. Once you get beyond the sphere of guarding the immediate depositor in connection with loan companies and banks you are on dangerous ground. I object to the government going further; let the other

people look after themslves. Why should we by this act venture to stand between investors in loan company securities and the loan company itself? We might as well intervene between the investors of any other company, such as industrial power concerns, and the company itself; I do not see a bit of difference. All these things tend to the building up of great superstructures of governmental departments and the massing of power in the hands of individuals in departments. And, oh, how they love it; they love to have a long entourage of officials at their command. But is that good public policy, and are we prepared to take the responsibility which must naturally and inevitably follow? It will not be the officials but this parliament and the government of Canada which will be held responsible. I venture to ask the minister to look again at the basic principles on which the act of 1922 rests and to see whether they do not need revision.

Section agreed to.

On section 3.

Mr. CHURCH: Does the government intend to consolidate and revise this whole act? I do not think that there are the necessary precautions in the legislation as it stands to provide the protection which those interested are entitled to. I understand that one of these insurance companies was recently called upon to supply further security. Surely, in view of the importance of a matter of this kind, an act like this, which is some ten years old, should be revised and consolidated. The scope of the trust companies should be clearly defined; they are performing functions which I am sure it was never the intention of parliament to sanction. There is such an interlocking of trust companies and banks and loan companies, and the rates that are charged to-day are so high, that it seems to me beyond question that the whole thing should be looked into and rates regulated. I would urge the minister in the recess of parliament to prepare for a revision of these acts so that they may be brought up to date to meet the changing conditions of business and to limit the functions of trust companies also within their proper function and scope. The companies are operating to-day in a wider field than it was ever intended they should engage in. It has been shown in the United States that these companies form the backbone for the efficiency operation of trusts and combines in that great land, and the authorities there are endeavouring to revise the American law with a view to bringing it right up to date. The minister might tell us what he intends to do in this matter. I would remind him that the inspector of insurance has recommended a survey of the whole field; and I believe it would meet with the approval of parliament if the minister would bring down next session a bill for the purpose of consolidating and revising the legislation controlling these companies.

Mr. ROBB: I will consider my hon. friend's observations. I am glad, by the way, to note that I have some support from the other side of the House.

Mr. HANSON: Has the minister considered the question of placing such great power in the hands of the superintendent?

Mr. ROBB: He has no greater power under this legislation than he at present exercises.

Mr. HANSON: With respect to insurance companies.

Mr. ROBB: No greater power.

Mr. HANSON: What about the question of appeal?

Mr. ROBB: They appeal to the Exchequer Court.

Mr. HANSON: On what ground does that appeal lie?

Mr. ROBB: If it is thought that the valuation is not fair an appeal can be made.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 173 to amend the Trust Companies Act, 1914.

Motion agreed to and bill read the first time.

LOAN COMPANIES ACT, 1914

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolutions:

Resolved, That it is expedient to amend the Loan Companies Act, 1914, and to provide,—

1. That the Superintendent of Insurance shall annually ascertain and certify the total amount of the expenditure incurred by the government for or in connection with the administration of the act during the last preceding fiscal year, and the total amount of income received during the last preceding calendar year by each company, and the findings of the superintendent shall be final and conclusive.

2. That thereupon the superintendent shall ascertain the ratio or percentage which the total expenditure so found and certified bears to the aggregate of the income aforesaid, and shall assess each of the com-

panies an amount equivalent to that percentage of the total amount of the income received, and such assessment when certified by the superintendent shall be binding upon the said companies, and be final and conclusive.

3. That the amount so assessed against each company shall constitute a debt payable to His Majesty, and shall be payable upon demand of the superintendent, and may be recovered as a debt in any court of competent jurisdiction.

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

On section 1.

Mr. ROBB: Mr. Chairman, this resolution is practically the same as the previous one.

Sir HENRY DRAYTON: I think a similar act was passed in 1922—the superintendent will recollect if I am right—giving powers somewhat similar to those in the trust case.

Mr. ROBB: Very similar.

Sir HENRY DRAYTON: That is what I thought. Was the situation exactly the same?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: What loan companies are we now inspecting?

Mr. ROBB: All loan companies incorporated under the federal parliament.

Sir HENRY DRAYTON: I could have given my hon. friend the same information. I was wondering what loan companies we still have under our jurisdiction.

Mr. ROBB: There are fifteen companies in all.

Sir HENRY DRAYTON: What is the total capital of the fifteen, the securities held by them, and their assets?

Mr. ROBB: Their paid up capital stands at $24,939,622; the book value of their assets is $104,858,626; their liabilities to the public are $63,579,876.

Sir HENRY DRAYTON: How many men have we to-day working on this value of $103,000,000 of securities?

Mr. ROBB: My hon. friend from York-Sunbury (Mr. Hanson) gave the number in the department a few moments ago—some thirty odd. There are eight or ten inspectors for all the companies.

Sir HENRY DRAYTON: We heard that in connection with the trust companies. But I want to find out how many valuators we have working specifically on loan companies.

[Mr. Robb.]

Mr. ROBB: The department gets an appraisal of the securities by experts. If we have any doubt about the appraisal we institute a special investigation.

Sir HENRY DRAYTON: Taking last year, what was the volume of valuations made of this $103,000,000?

Mr. ROBB: A considerable portion of the real estate has been valued, and all the bonds and debentures.

Mr. HANSON: A very large portion of the assets of these loan companies is in mortgages, especially western mortgages according to the newspapers. What methods are adopted in valuing these securities?

Mr. ROBB: If it appears to the department that the securities are in bad standing, a special appraisal is made. If the interest is paid up regularly it is taken as an indication that the securities are in fair shape.

Mr. CHURCH: The minister and the government should be interested in something more than the cost of inspection of these companies and the overhead expense. Where does the public come in? Formerly these loan companies loaned fifty per cent of the value on real estate, but to-day they loan only on an average from twenty to twenty-five per cent of the value, with the result that the building of small houses is seriously restricted and the housing situation correspondingly aggravated. As the government has no housing policy such as the government of Great Britain has, some further restrictions and control of rates should be placed on these loan companies. They have been given very wide powers by parliament, but we have no control over their rates or policies. For instance, they have one rate for the farmer and another rate for the city man. Parliament has endeavoured to do something to control the banks, why should these loan companies be left to be a law unto themselves, to charge what rates they like? I think these resolutions should go to the Banking and Commerce committee for revision. It is all very well from the standpoint of revenue to inspect these companies and to charge them with the overhead cost of inspection, but what about their functions? They claim and exercise functions which parliament never intended they should have. It is over ten years since these companies were looked into and the act revised, and it is time that a survey was made, the legislation brought up to date and consolidated, with a view to the pro-

tection of the public. I venture to say that before many days are over there will be a rude awakening and some of these companies will go to the wall. Are we going to wait until there is some such disaster as the collapse of the Home Bank before we take action? The minister ought to take steps to bring this act up to date; there is a demand for it all over Canada. There should be an audit of these companies; there should be control over the rate of interest charged and there should be some revision of the vast powers they have to confiscate property by foreclosure, and so on. Expensive legislation is put upon the second mortgagee under the present procedure. The law requires the first mortgagee to notify the second mortgagee in due course and give him a chance to redeem, but this is not always done. I was speaking to a parish priest yesterday in the constituency of a member of this House and he mentioned a case where a second mortgagee had not been so notified by the first mortgagee, with the result that the loan company foreclosed and it cost him $200 to get the thing straightened out. These companies should be put under proper control, not only as to rates, but as to many other matters.

Mr. ROBB: I will take my hon. friend's observations into consideration. The act was revised in 1922. These companies are not earning excessive dividends; I notice that the paid up capital and reserve combined is something over $39,000,000, on which they paid $2,135,000, on the average a little under 6 per cent.

Mr. MACLEAN (York): Do any of these companies take deposits?

Mr. ROBB: Oh, yes.

Mr. MACLEAN (York): I want that point brought out.

Section agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 174, to amend The Loan Companies Act, 1914.

Motion agreed to and bill read the first time.

INSURANCE ACT, 1917, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to amend the Insurance Act, 1917, and to provide,—

1. That there shall be a department of the government of Canada to be called the Department of Insurance over which the Minister of Finance shall preside, and the Governor in Council may appoint an officer to be called the Superintendent of Insurance who shall be the deputy head of the department and hold office during pleasure. Such officer shall be paid such salary as may be authorized by law, and perform such duties as are prescribed.

2. That the Superintendent of Insurance shall annually ascertain and certify the total amount of the expenditure incurred by the government for or in connection with the administration of the act during the last preceding fiscal year, and the total amount of gross premiums received in Canada during the last preceding calendar year by each company licensed under the act and by each company not licensed under the act but transacting life insurance business thereunder, deducting the amount of the dividends paid or allowed by each such company to its policy holders in Canada during the said year, and the findings of the superintendent so certified shall be final and conclusive.

3. That thereupon the superintendent shall ascertain the ratio or percentage which the total expenditure so found and certified bears to the aggregate of the net receipts, aforesaid, and shall assess each of the companies an amount equivalent to that percentage of the gross premiums received in Canada, less dividends, and such assessment when certified by the superintendent, shall be binding upon the said companies, and be final and conclusive.

4. That the amount so assessed against each company shall constitute a debt payable to His Majesty and shall be payable upon demand of the Superintendent, and may be recovered as a debt in any court of competent jurisdiction.

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

On section 1.

Sir HENRY DRAYTON: What is the real effect of this resolution? We now have a Superintendent of Insurance, and he is a very capable one. What is the idea of making the changes here?

Mr. ROBB: It is simply to bring the wording in conformity with that respecting other departments.

Sir HENRY DRAYTON: There will be no change?

Mr. ROBB: Practically the only change is that the statutory limit to the salary is struck out.

Sir HENRY DRAYTON: I do not see why the Superintendent of Insurance should not have just as much right to the salary as any other deputy; he has been performing the duties of deputy for a long time. Is there any other object than to remove him from that disability, a course which I do not object?

Mr. ROBB: None whatever.

Sir HENRY DRAYTON: Will there be any more cost to the treasury?

Mr. ROBB: There is no cost to the treasury now, and there will not be any. It is all reimbursed by the companies.

Sir HENRY DRAYTON: Will it work any greater burden on the policy holders?

Mr. ROBB: I would not think so, no.

Section agreed to.

On section 2.

Sir HENRY DRAYTON: There is no change here at all?

Mr. ROBB: No.

Sir HENRY DRAYTON: Then why make this provision, if it is in the present law?

Mr. ROBB: We are putting into the statute the machinery for calculating the assessment at present in use in practice.

Sir HENRY DRAYTON: But it is all in the present Insurance Act?

Mr. ROBB: Not the details, no.

Sir HENRY DRAYTON: There are other provisions besides that I would not like to see dropped.

Mr. ROBB: We are not dropping anything.

Sir HENRY DRAYTON: This has been submitted to the law officers of the Crown?

Mr. ROBB: Yes, and approved.

Sir HENRY DRAYTON: How much is it now costing to run the department?

Mr. ROBB: For the fiscal year 1922-23 the total cost was $107,814.43.

Sir HENRY DRAYTON: How much should be taken off for the trust companies and the other companies?

Mr. ROBB: Their proportion is estimated to be about $5,000 or $6,000.

Mr. CHURCH: The decrease in the business done by insurance companies, life and fire, demonstrates the necessity of having a proper department of insurance and a superintendent of insurance who will have adequate powers to go into the business of these companies and protect not only the government in the matter of revenue but also the policyholders. I have here the report of the superintendent for the year ending December 31, 1922, and I wish to read two paragraphs—to show what is taking place at the present time and the urgent necessity of adequate government control. I am urging in connection with this particular clause that there is no use having a department and appointing an inspector or a superintendent of insurance unless you give him the widest powers and some control so that there can be proper regulation of such large companies as we have in Canada. Companies can come in here from the United States and make more money and do things that they cannot do in their own country. On page 5 of this report I find this:

> The year 1922 showed also a decrease in the volume of life insurance written, the gross amount of business written and paid for in cash being $521,304,609, compared with $528,193,352 in 1921, and $641,778,495 in 1920. . . . The total amount of business lapsed and surrendered during the year was $288,836,353, or 49.9 per cent of the gross new business written.

Fancy, pretty nearly half of the new business written lapsed during the [illegible]. The corresponding figures for 1921 are equally disappointing. They show a total amount of business lapsed and surrendered during the year of $241,888,720, or 41.9 per cent. The report goes on:

> This feature of the year's business is disappointing in the extreme, indicating as it does a tendency on the part of the field forces to disregard renewals. A rearrangement of commissions as between new and renewal business might be effective in reducing the high rate of lapse which at present is a standing reproach to all engaged in the business.
>
> The total net amount of business in force in Canada at the end of 1922 was $3,172,873,312, an increase of $238,092,464 over the net amount in force at the end of 1921.

These two clauses show the necessity for government control and regulation, and of some protection for the policy holders who allow their policies to lapse, and so I say this resolution does not go far enough. We have in my opinion, a very good Superintendent of Insurance and a good department, but the superintendent and the department should be given more powers. Do not make the superintendent like a bank inspector, all dressed up, with no powers at all. Let us give the superintendent full control over these British and Canadian companies and these companies that are half American and half Canadian, doing business in Canada. This report does not reveal a very creditable state of affairs among insurance companies in Canada, when an equivalent in amount of 49 per cent of the policies that are written in any

one year—lapse. There must be something radically wrong when that takes place, and the minister should look into this matter. A survey has already been recommended by his inspectors, and I hope there will be a survey made of these companies, because I understand that one of them was asked not long ago to put up $75,000 additional security in order to protect its policy holders. Are there any more of these companies in this same position? Is the department going to wait until there is a failure after the Home Bank fashion and some company is unable to pay its way? In the provincial field we find some of these fraternal societies are not solvent, and they come to the legislature year after year, and if you have a policy for $2,000, they get power to mark it down to $1,200. Some of these federal companies might become insolvent also in the future, and I say that a survey should be made of all these companies and some adequate system of inspection inaugurated in the interests of the policy holders. That inspection should include a government actuary, who would have power to go into these companies every year and make his reports to the government showing just in what financial position each company is. I would urge the minister to take the proper powers and compel every company to open its books.

Mr. CALDWELL: Does this inspection and supervision extend to fraternal insurance societies?

Mr. ROBB: Since 1919 to all such as have a Dominion charter and to foreign societies.

Mr. CALDWELL: Not to those having a provincial charter?

Mr. ROBB: Not to Canadian societies having a provincial charter.

Sir HENRY DRAYTON: I think the minister should make some reply to the strictures that have been passed by the superintendent, as shown in his report, and which have been read by the hon. member for North Toronto (Mr. Church). It shows an unfavourable condition. What is the trouble?

Mr. ROBB: It is probably true that there have been lapses, but as my hon. friend knows, this runs more or less in cycles. We had a somewhat similar experience in 1915. I recall that because I was then associated with a fraternal society, but they are all doing better now, and the insurance companies themselves are doing much to cure this condition by a follow-up system.

Sir HENRY DRAYTON: The minister also heard the suggestion of the hon. member in connection with appointing an actuary, the need for inspection, and the like. I do know that once upon a time we had very good actuaries and a complete inspection. Have we not that now?

Mr. ROBB: Certainly. We have that now. I was going to mention that.

Section agreed to.

On section 3.

Sir HENRY DRAYTON: While the superintendent is here, I would like to bring up one question. I have already had some communication with him about it in connection with the bill reported this year. I would like to find out what the policy of the minister is in connection with participating rates. It is about the one thing I think the superintendent cannot really control at all, and it is one matter in connection with which the returns of some companies at least are very, very disappointing. These participating rates have been merely a fraction in some cases of what the bank interest would have amounted to on the extra premium during the same period. The idea of the extra premium is to earn the profits. It has nothing at all to do with the life risk, which is covered in the straight rate. I hope the minister understands what I am drawing to his attention. There is no question here of the risk of the company, because that is covered by the basic rate. It is just a question whether these higher rates and some dividends that have been shown are at all fair to the public, and whether or not straight life business ought to be the business which the department should encourage and look after.

Mr. ROBB: Competition takes care of this, and it was never keener than it is now between the life insurance companies. Participating rates are being greatly reduced. My hon. friend will recall that the life insurance companies suffered very heavily during the war period, and consequently their profits were reduced, and that, of course, affected the dividends to the policy holders.

Sir HENRY DRAYTON: The tendency at present is to get away from these participating profits as much as possible.

Mr. ROBB: And that, consequently reduces the rates that are charged.

Sir HENRY DRAYTON: The two classes of insurance are entirely different. There is

the regular insurance, and then there is a class of business as to which the company doing it say: "If you pay so much more you come in on our profits." The latter kind of insurance means that higher premiums must be paid than under the ordinary straight line rate. Of course it is true that the war had its effect, and possibly is responsible for the feature in question, but on the face of it the showing is not a happy one for the policy holders.

Mr. CALDWELL: Does the Superintendent of Insurance have any control over the class of insurance which a company shall write? For instance if an insurance company is not paying dividends to those holding participating policies it might be wise to see that it shall not write too much of that kind of insurance but shall rather issue a straight insurance policy. I think it is a very important point. If the companies were allowed the right of issuing policies on the participating plan and were not paying any dividends they would certainly stand to win, and the public, probably to lose.

Mr. ROBB: We have in some rather rare cases insisted on a company doing only a non-participating business.

Sir HENRY DRAYTON: That must have been in a case where there was a likelihood of a deficit. The Superintendent of Insurance does not interfere in the direct management of a company at all. The point the hon. member (Mr. Caldwell) was making was that in view of past results it is very much more to the benefit of the policy holder to take, for example, a straight twenty-year life policy than a twenty-year life policy with profits.

Section agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 175, to amend the Insurance Act, 1917.

Motion agreed to and bill read the first time.

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

The House again in committee on Bill No. 142, to amend the Special War Revenue Act, 1915, Mr. Gordon in the chair.

On section 1—tax on sales reduced.

Sir HENRY DRAYTON: When the resolution on which this bill was based was being considered I made a statement in connection with the difficulties encountered under the act at the close of one evening's sitting, and my hon. friend was good enough to thank me for what he termed constructive criticism. He said he would look into the representations made and see what could be done in the matter. Has my hon. friend been able to iron out any of the many difficulties pointed out at that time except the one as to licenses?

Mr. ROBB: In a consultation with the minister in charge, and the department, they expressed the belief that most of the difficulties in question have been corrected from time to time, and that the act is now meeting with a fair amount of favour from the public. I had in mind that my hon. friend would have gathered any further information he desired when the minister was passing his estimates through in committee of supply.

Sir HENRY DRAYTON: The Minister of Customs was not troubled very much on estimates apparently. I think his estimates went through on record time.

Mr. KELLNER: I should like to find out how the tax to be levied is figured out. In the case of the sale of $100 worth of goods would the department figure at 6 per cent of that amount, or how would the tax be arrived at?

Mr. ROBB: I will read the clause governing the matter:

> In addition to any duty or tax that may be payable under this part, or any other statute of law, there shall be imposed, levied and collected a consumption or sales tax of six per cent—

Which is now reduced to 5 per cent.

> —on the sale price of all goods produced or manufactured in Canada, including the amount of excise duties when the goods are sold in bond, which tax shall be payable by the producer or manufacturer at the time of the sale thereof by him, and in the case of imported goods the like tax upon the duty paid value of the goods imported payable by the importer—

and so on.

Mr. KELLNER: I want to know whether the department's agents collect 6 per cent, we will say of $100, or whether the percentage is less than that?

Mr. ROBB: The act provides:

> For the purpose of calculating the amount of consumption or sales tax, "sale price" shall mean the price before any amount payable in respect of the consumption or sales tax is added thereto.

Is that what my hon. friend wants to get at?

Mr. KELLNER: Would the minister name the rate?

Mr. ROBB: It would be 5 per cent now or, if the articles are boots and shoes or some other articles that come in under the 2½ per cent clause, the latter percentage is the amount that would be levied.

Mr. CALDWELL: I wish to call to the attention of the minister—and I presume the matter has been brought to his attention on various occasions previously—an old claim pending against the government by the automobile dealers of Canada. It is not in reference to the sales tax, and I may not be in order, but I hope I will be permitted to present the case as it is a very sore point with automobile dealers all over Canada. In 1918, when the luxury tax was imposed on automobiles, jewelry and a lot of other things, it was made retroactive in the case of the dealers in automobiles. I do not know whether it was made retroactive in other cases or not but I think not. The automobile dealers had to pay the luxury tax on the cars they had on hand at that time, although these cars had been bought previously. I think in all other cases the luxury tax was paid when the merchandise was disposed of by the merchant. In the case of the automobile dealers they had to pay the tax on the cars on hand, even though they did not sell them for six months. That was a discrimination against them. That is not what they are finding most fault with however. When the luxury tax was repealed in 1920, I think it was, they expected that they would be refunded the luxury tax they had paid on the cars they had on hand, as the tax, when it was imposed, was made retroactive, to cover the cars they had on hand at that time. This has never been done. I believe in the case of a merchant who had stamp taxes on hand to attach to the goods that he sold, the government did grant a refund amounting to $169,426.97. There was another feature that was still worse, I think. Automobile manufacturers who were maintaining retail establishments were I believe, given a refund on all the cars they had in their retail warehouses. This refund amounted to $171,650.53, but the dealer who was not a manufacturer was not given any refund. I know of dealers in my own province who were pretty nearly ruined at that time, because they had a large stock of automobiles on hand on which they had paid the luxury tax. They certainly felt that they had the same right to a refund of the luxury tax as the manufacturer who possibly had a retail establishment on the opposite side of the street, and was competing with them. When the luxury tax was abolished the dealer who had paid the tax and did not get a refund had to sell in competition with the retailer across the road who did get a refund, and it put the former in a very unfair position. I desire to say however that I firmly believe that the luxury tax never should have been repealed. I know it was a tax that brought the government a good deal of money, obtained it from the source from which the government should obtain it, namely the people who were able to buy high-priced articles and luxuries.

Mr. ROBB: Blue-nose potatoes are a luxury.

Mr. CALDWELL: I would hardly credit that statement. When we have been selling our potatoes for fifty per cent of what it cost to grow them they could not be considered a luxury; but if you speak of the quality of the potatoes, they certainly are a luxury. When you speak of the price of the potatoes they could not be classed as a luxury. Has the minister considered the representations of the automobile dealers? I will admit that it is pretty late in the day now to bring the matter up. However, I do not consider that this was a bit better than stealing the money from the dealers. When the government imposed the tax they made it retroactive, but when they abolished the tax they did not make it retroactive. I think two million dollars was the amount paid by these dealers. At the time they paid this money it was virtually promised that they would be enabled to pass it on to the people to whom they sold. They were not able to do this; they lost this money and it very nearly ruined a good number.

Mr. ROBB: If my hon. friend sat in this chair and had to defend the policy of the department, he would be against any person who comes forward looking for refunds or rebates. This question has already been considered, not by two governments but by two different ministers, and was very carefully gone into. I have looked through the files. Representations have been made that there should be a refund. I have consulted some of the officials of the department and it has been represented to us—and I think the records confirm the statement—that there was a conference between the manufacturers and the dealers; and the government of the

day did everything possible to see that there was a fair adjustment as between the manufacturers and the dealers.

Mr. CALDWELL: I do not consider the dealer had any claim against the manufacturer. He did not pay the manufacturer the money. He paid it to the government under a public act. When the government abolished the luxury tax, if they had not refunded the money to the manufacturer who, in a great many cases had a retail establishment just alongside of the retailer, it would not have been quite so bad, I will admit, because all of them would have held up their prices and got something out of it. The fact that the manufacturer, who in many cases was carrying on a large number of retail establishments, was refunded the luxury tax on the cars he had in his warehouse, put the regular dealer who was not a manufacturer in a very awkward position indeed, and he was not able to get his money back. For the minister to say that there should be a readjustment between the manufacturer and the dealer—

5 p.m.

Mr. ROBB: No, I say the government of the day tried to arrange a readjustment, and it was represented to the government, I understand, that they had got together and had an understanding.

Mr. CALDWELL: They may have got together but I can assure my hon. friend that the dealer did not get any money out of it, and when a group of men are deprived of two million dollars in such a manner that they cannot get it back, they do not feel pleased about it. Does the minister think it was a fair thing at the time? I am firmly convinced that if my hon. friend had been Minister of Finance at that time this refund would have been given.

Mr. ROBB. Do not be too sure about that.

Mr. CALDWELL: I will admit that while my hon. friend is not all Scotch, he has quite a Scotch disposition, and I think he would have made the refund. Practically everybody else affected by the luxury tax got the refund. I think the luxury tax never should have been abolished, and I think we should institute a luxury tax to-day. But if you are going to impose a tax and abolish it, if you make the imposition of it retroactive, you certainly should in all fairness refund the tax to the man who has the stock on hand when it is abolished.

[Mr. Robb.]

Mr. ROSS (Kingston): Will the minister tell me if the retail automobile dealers had a conference with him, and if a decision was arrived at?

Mr. ROBB: What I said in reply to my hon. friend from Victoria and Carleton (Mr. Caldwell) was that it had been represented to me that the government of the day had a conference at the time with the manufacturers of automobiles and the dealers in automobiles. It was not our administration at all.

Mr. CALDWELL: Could the minister tell us what decision was arrived at in the conference between the automobile dealers and the manufacturers?

Mr. BUREAU: It was not the present government.

Mr. CALDWELL: No, I think it was before the present government came in. If my hon. friend had been Finance Minister they would have got the rebate.

Mr. ROBB: The hon. member is wrong.

Mr. CALDWELL: I think he is very much Scotch.

Mr. BUREAU: Yes, all Scotch.

Mr. CALDWELL: I think a Scotchman tries to be fair. I am pretty nearly all Scotch myself and I would hate to think that anybody could tell me I would not be fair. When it comes to the question of being tight-fisted I may be all Scotch. I have always considered these automobile dealers did not get a fair deal. What was the result of that conference and what action was taken?

Mr. ROBB: I was not present at the conference but I have been informed by officials of the department who were present representing the government that there was an understanding that the manufacturers should deal fairly with the dealers and settle with them in the event of there being a rebate. That has been represented to me but I am not going to vouch for it because I was not present. We were in opposition at that time.

Mr. CALDWELL: I cannot see the force of the statement that the government urged the manufacturers to deal fairly with the dealers; as I have pointed out, the dealers did not pay the manufacturers the money, they paid the government.

Mr. BUREAU: The manufacturers would absorb part of the tax.

Mr. CALDWELL: I do not think that the manufacturers are under any obligation to reimburse the dealers. If the government had said to the manufacturers, "We will refund you half of yours and the dealer half of his," that would seem to be equitable; at all events, all should have been treated alike. I realize of course that it was not this government that was responsible. But I am not interested in the question as to what government it was; what I am concerned about is to see that there is fair play. In all fairness to the men who were not treated properly, I say that something should be done to put matters right; it is not too late yet to do justice in this connection. I know there is a strong feeling throughout the country not only among the dealers but on the part of the general public that this has not been a fair transaction, and the government would be well advised to reconsider what has been done. I offer it as a suggestion that possibly there might be a conference between the dealers and the manufacturers; the government could then find out what readjustment if any has taken place as between these two classes. If there has been any, I think it would be very slight, inasmuch as the manufacturers were under no obligation whatever in the matter. As things stand now, the manufacturer has the satisfaction of having had his money refunded while the dealer has not. I would very strongly urge upon the minister the desirability of taking steps to see that justice is done.

Mr. EVANS: It would seem that there was some unfairness in connection with this tax at the time of its abolition. Many dealers had put in heavy stocks for the year's trade and the tax was suddenly taken off. I know some who were put out of business during that time. There was some arrangement I believe whereby the manufacturers were to absorb a part of the tax, but although they appeared to make some concessions they did not suffer; they simply put up the price of their cars and so covered what would otherwise have been a loss. Clearly therefore they made no sacrifice. It would seem to me that the government would only be doing the fair thing if it gave bonds for the amount and allowed those who have not been reimbursed the benefit of interest from December 1920 up to the present time.

Mr. ROBB: Where shall we get the money?

Mr. CALDWELL: You have already got it from the dealers; you have their money.

Mr. BUREAU: That is the question whether it is theirs or ours.

Mr. EVANS: I understood that the matter was at present before the government and that an answer might be expected some time before the close of the session.

Mr. CALDWELL: My hon. friend the ex-Minister of Finance (Sir Henry Drayton) has just returned to the chamber; he went out shortly after we began the discussion of this matter. Perhaps he can contribute a word or two to the debate to enlighten us. I will not say that he was the criminal, but he was Minister of Finance at that time and he would know something about the matter. He might be able to tell us what action was taken by the government as between the manufacturers and the dealers.

Sir HENRY DRAYTON: The action of the government was not precipitate by any means; the matter was passed upon in the first instance by myself and was discussed in the second place by the Minister of Finance (Mr. Fielding). It was a contentious matter, and I may observe in passing that the reason I left the room just now was to get a copy of the record. This memorandum which I shall now read was prepared at the time, or shortly afterwards. So far as I am concerned, let me say at once that I am not going to offer any comment in regard to the question as to who got the money and who did not; my purpose is simply to show the facts as they were. The memorandum is as follows:

A large number of special taxes were suspended by order in council which came into force on the 20th of December, 1920. Having particular regard to taxes on automobiles, before action was taken cancelling them a large deputation of those interested in the industry made specific representations to the effect that in view of the then financial condition of the country and what they stated then existed,—a "buyers' strike"—it was quite impossible for automobiles to be sold. It was represented that if the tax was cancelled men would be put back in employment and conditions greatly improved. Nothing whatever was said about refunds.

Mr. CALDWELL: Were the dealers represented at that conference?

Sir HENRY DRAYTON: Both sides were represented. The memorandum proceeds:

After the order was issued automobile dealers applied for refund of taxes paid on automobiles which were still in stock. The Retail Merchants' Association took the matter up and made very strenuous representations. No refund was granted but at the suggestion of the then Minister of Finance representatives were appointed to go into the matter directly in behalf of the automobile industry, such representation to include not only

the manufacturers but also the dealers. The dealers and manufacturers shortly afterwards met the minister who pointed out that the government had no funds whatever from which to make this drawback and that when changes are made in fiscal matters rebates are not given—then when customs duties are reduced on merchandise on which the merchant has paid duty, while his competitor's goods are still in transit to the country, no refund of duties on the lower or free scale is ever made, notwithstanding the resulting hardship.

Mr. CALDWELL: There is this fact to be noted, that when a duty is imposed it is not made retroactive to cover goods which the merchant had on hand four or five months previously, as in this case.

Sir HENRY DRAYTON: We shall come to that. Under that legislation, the tax was payable when the sale was made.

Mr. CALDWELL: Not on automobiles.

Sir HENRY DRAYTON: Yes. It was payable on sale by the manufacturer; as soon as the manufacturer made a sale of a car the tax was due. That tax was collected at the source; it immediately became due as soon as the manufacturer disposed of the car. And that is where the resulting hardship came in.

Mr. CALDWELL: It is a fact then that the dealers did pay a luxury tax on all cars they had on hand when the tax was imposed.

Sir HENRY DRAYTON: Yes.

Mr. CALDWELL: Although in the case of some cars they may have had the stock on hand four or five months previous to the imposition of the tax.

Sir HENRY DRAYTON: Yes.

Mr. CALDWELL: Is it not a fact that the dealers had to pay the tax on all cars they had on hand in the warehouse?

Sir HENRY DRAYTON: My hon. friend is referring to the original tax of Sir Thomas White. I dare say he is right in that regard; I will not contradict him. But all those cars were out of the way long before this legislation was effective.

Mr. CALDWELL: But in 1920 they still had this stock on hand. They paid the tax on those cars which they had not been able to dispose of.

Sir HENRY DRAYTON: They did have on hand cars on which they had paid the tax; there is no question about that, because the tax was payable as soon as the sale was made.

The minister also pointed out that the action taken by the government was directly for the purpose of assisting the industry and that if the opinion of the trade was that more harm than good was done by the withdrawal of the tax, another order in council would be passed restoring the taxes and placing everybody where they were. Both dealers and manufacturers insisted that this ought not to be done.

The minister then asked that a small committee be appointed for the purpose of arriving at an adjustment, pointing out that it was in the immediate interest of the manufacturers themselves to see that distributors were not unfairly treated in a matter that was for the good of the whole trade and that they were vitally interested in seeing that existing channels of distribution were maintained.

That is, looking after their dealers.

A committee of four was nominated, two representing the manufacturers and two the dealers. The committee met and reported to the minister that no arrangement could be made and insisted on a refund of the tax. This was refused. The committee again went into deliberation and came back and reported that the claim for refund would be withdrawn provided the tax be not reimposed, and that satisfactory arrangements had been agreed to by the representatives of the dealers.

I forget the names of the gentlemen who were on that committee, but I think Mr. Fortier of Quebec and another dealer who handled Cadillac cars were the dealers' representatives.

Mr. HALBERT: Were the dealers willing to forego the rebate if the tax was removed?

Sir HENRY DRAYTON: Certainly they were willing to do that rather than have the tax reimposed. Then they came and said that a satisfactory arrangement had been made between the manufacturers and the dealers. I was inclined to get the manufacturers to help out the dealers; that was my whole object in asking them to do this. I pointed out that it was very much in their interests to look after their distributors. The memorandum goes on:

Apparently some manufacturers have not carried out the arrangement. Bulletin No. 1792, issued by the McLaughlin Motor Car Company Limited, dated January 21, 1921, is attached hereto and speaks for itself.

The memorandum issued by the McLaughlin Company is addressed to their dealers, and is as follows:

Gentlemen:

Enclosed please find Bulletin No. 1799, in connection with a refund of part of the luxury tax paid to the government by you.

You doubtless have been advised, through the representatives of the dealers who appeared before the government at Ottawa, and through the press, that the government has decided that it will not refund any of the luxury tax paid by the dealers on cars on hand, unsold, when the tax was abolished.

When the tax was originally imposed, and later when it was increased to 15 per cent and 20 per cent,

it was thought that the automotive industry was being placed at a serious disadvantage, and was being subjected to a more severe rate of taxation than other industries. Representations to this effect were made to the government but without avail.

Owing to the general depression this fall and winter the Automotive Association again took up the matter with the government, and made very strong representations as to the unsatisfactory conditions of the trade, attributing this condition in part to the excessive taxes imposed. The case was ably presented to the government, and after investigation of the circumstances, they abolished the luxury tax completely. We are all agreed that this was a courageous stand, and we are much pleased at the government's action.

Inasmuch as the Department of Finance had collected the tax from the dealers upon cars which they had on hand when it was originally imposed, it was naturally assumed that in doing away with the tax, the dealers would be reimbursed on a similar basis, but this was not done.

That is the point made by the hon. member for Victoria and Carleton (Mr. Caldwell). The dealers insisted that when the original tax was put on by Sir Thomas White in 1918 everything in their hands was taxed. There was a difference in the two bases of taxation.

Mr. NEILL: Although the cars had been sold by the manufacturer to the dealers at that time?

Sir HENRY DRAYTON: Yes, the difference being this: In one instance you had a tax at the base, the distributor; and in the other you had it at the source, the manufacturer. My proposition was to tax at the source. I am quite free to admit that I had forgotten what Sir Thomas White did a few years ago.

No doubt you are acquainted with the steps taken by the various dealer organizations throughout the Dominion, and through the Retail Merchants Association, to bring this matter clearly before the government. After the dealers' deputation left Ottawa, the government asked the dealers to appoint a smaller committee to meet with the manufacturers at Ottawa for further discussion. This meeting was held at Ottawa recently, but after presenting the case from all angles to the government, and using every available argument, the combined efforts of the dealers and manufacturers were unavailing. The department has given its decision—that taxes once collected cannot be refunded, and had declined to reimburse the dealers.

The suggestion was made that the list and wholesale prices of cars should be increased for a period of several months in order to assist the dealers to get back from the customer their investment in these taxes, but we feel that this would be equivalent to re-imposing the luxury tax in a modified form, would present a definite sales resistance which would prevent accomplishing the desired results, and would certainly lengthen the time necessary to get back to normal conditions, and prevent the dealer from reaping the full benefit of volume business brought about by the complete elimination of the tax.

On looking at the whole matter it is well to remember, that had the government not taken the unusual and almost unprecedented stand of eliminating the entire luxury tax, by order in council on December 20th, and had they, as is usual and customary, allowed matters of taxation to stand and be dealt with in the budget speech, and had deferred any action looking to the relief of this taxation until the budget was brought before parliament in the usual way (last year this was not until May 19th) the whole trade would have been in a very serious and undesirable position. We, therefore, feel that the industry as a whole has much to be thankful for by the prompt action of the government.

Under all the circumstances, and having regard to the government's refusing to make any reimbursement of taxes collected, we propose to assist the dealers in their difficulty by absorbing (under certain conditions), without raising our price for this purpose, 50 per cent of the taxes paid on new, unused McLaughlin cars in dealers hands at the opening of business Monday morning, December 20th, 1920, thereby assisting the trade to return to normal basis with the least possible delay. We are at present absorbing two per cent sales tax and will continue to do so until further notice.

While some dealers may be inclined to regard the balance of the tax which they absorb as a loss it must not be forgotten that all merchants, manufacturers, traders, etc. have had to assume their share in the general reconstruction (and in some cases excessively heavy and severe losses), through the writing down of inventories, the fall in raw materials and commodities, and the contingent liability for goods contracted for at high prices in advance.

It was hoped that all manufacturers would adopt a uniform basis of handling this situation, but this could not be arranged.

So they sent out their bulletin. At the time I understood that it was entirely arranged between the manufacturers and the dealers, on the basis of fifty fifty, as shown by this circular.

Mr. CALDWELL: Do you know how many manufacturers adopted that attitude, and what was done?

Sir HENRY DRAYTON: I could not say.

Mr. CALDWELL: Is it not a fact that the government did refund to those manufacturers who were conducting retail establishments the tax on the cars which they had in their retail warehouses? I know a statement was made that refunds were granted amounting to over $170,000.

Sir HENRY DRAYTON: I know of no refunds at all. But, in fairness to my hon. friend, I should add that the sales tax under the law was not payable until the sale was made. Merchants had stamps on hand to be attached when sales were effected. Now, those stamps would be redeemed on presentation; but that would not be a refund, the tax never having been payable because no sales had ever been made. I do not know, I tell my hon. friend frankly, but it may be that some manufacturers had cars on the retail side of their warehouses instead of on the wholesale side, and if they had not sold

those cars, but had simply transferred them from one side to the other, the government could not hold the tax. It is possible that some payment has been made in connection with this; I do not know. But so far as I am aware everybody was dealt with on the same basis. Now, there are the facts. I am not objecting to any action being taken. I think what I did was right, and Mr. Fielding thought I was right. If somebody else thinks I am wrong, I am not going to be at all warm about it.

Section agreed to.

On section 6—License to bona fide wholesaler or jobber.

Mr. WHITE: With respect to this clause, I have had a matter brought to my attention by a firm in my city who deal in scrap materials. It was brought before the Minister of Customs through a letter written to him on January 19, 1924, as follows:

We desire to call to your attention an unjust measure which has to do in taking out a bond in connection with sales tax.

In our business, which is the handling of scrap materials and is sold to manufacturers as raw material, there is no sales tax. We are therefore not in the position that we were last year, as we do not collect any sales tax to be turned into the department. Under the circumstances it is unreasonable for us to be put into the position of having to take out a bond, covering three months maximum business of 1923 calculated on 12 per cent, which would mean that we would have to spend about $75 for the cost of the bond each year.

You will agree that our position is not analogous with that of the manufacturer and as our business is taxed to the limit now we believe you should withdraw the ruling making it necessary for the wholesale scrap merchant furnishing this bond.

We are placing this matter before you for your kind indulgence and we are hopeful, that you will consider the matter carefully, and we will await your reply with interest in due course.

That is from London, Ontario. In reply to that the minister wrote to Harris & Sons as follows:

I beg to acknowledge receipt of your letter of the 19th of January with reference to the bond which you are asked to furnish in connection with the sales tax.

This is a matter of legislation and parliament alone could change it. I will submit your letter to the proper authorities and see what can be done with the object of meeting the grievance of which you complain.

On January 26th the minister again wrote as follows:

With further reference to your letter of the 19th instant and to my acknowledgement of the 22nd, I regret to say that it is not possible to meet your request that the giving of a bond be waived in view of the fact that it is a statutory provision which the department has no power to change or modify. Parliament alone has the power to amend or repeal such provisions.

That is signed by the Minister of Customs and Excise. On May 20th, 1924, I received a letter from Harris & Sons as follows:

Since the first of the year we have been classed as a wholesaler under the new sales tax regulations and inasmuch as everything we handle is classified as raw material for re-manufacture we do not charge sales tax of any kind when selling to manufacturers or others with a license. You will therefore understand that we do not hold any moneys to be turned in to the government, as we do not collect anything. Notwithstanding this the regulations say that we must furnish a bond from a bonding company, amounting to $7,000, which amount is arrived at by three months of our last year's sales. Although we were able to get a bonding company to furnish the necessary bond for the first three months of this year same has been cancelled, and we are not able now to furnish this bond although we have explained the fact that we do not collect any sales tax to be turned into the government and therefore the bonding company incurred no risk.

Without this bond the government refuse to grant us a license, and under this circumstance we must pay the 5 per cent sales tax ourselves on everything that we buy and import from the United States, and we feel that under present business conditions we could not remain in business if we had to work under this tax and not obtain a license.

Our bankers are willing to give the government a guarantee in our behalf but they refuse to give the bonding company this guarantee and thereby have them collect their premium without earning same.

I took the matter up with the Acting Minister of Finance and was referred to the Department of Customs and Excise. I took it up with the Minister of Customs and Excise, who wrote me on the 6th of June 1924 as follows:

I duly received yours enclosing correspondence with reference to Messrs. J. Harris & Sons.

In reply I may say that the department has no authority to waive compliance with the provisions of the statute which specifically provide that before being granted a license a wholesaler shall give a bond of security by an incorporated guarantee company authorized to do business in Canada and whose bonds are acceptable to the Dominion government, or Dominion of Canada bonds.

I return the correspondence enclosed with your letter.

I am sorry that I am not in a position to meet the request but, as you will understand, I cannot exceed the powers given by the act.

It seems to me that this is the time to make a change, if a change can be made, which will relieve this company, and other companies as well, of the hardship incurred under the provisions of the act. As they say, they are now taxed heavily enough, and the regulation referred to is one which evidently makes it even harder to carry on business. That regulation seems unnecessary, but it is evidently in conformity with the provisions of the Special War Revenue Act. I would ask the minister whether some change could not be made to afford relief in this connection. For some un-

known reason this firm has been unable to get the necessary bond, and in any case it would involve an expenditure on their part of $75 a year, although they pay nothing whatever to the government.

Mr. BUREAU: This is a question of the classification of this firm's activities. They are not manufacturers; they are wholesalers. The act provides that these people shall give a bond. It is the first case I have heard of where the bond company has refused to guarantee the honesty of the trader or his faithful compliance with the law. I do not see what I can do in the matter. These people buy the scrap and sell it, and when a wholesaler sells to a manufacturer he gets a refund from the department of the sales tax he has paid. When the material goes into the manufacture for consumption then the tax is collected and turned in to the department.

Sir HENRY DRAYTON: Why could a small amendment not be made to provide that a bond or other security might be accepted, in the discretion of the minister? I do not believe this government is out to make business for the bond companies, but that seems to be the effect of the present provision. The guarantee of a bank is just as good as that of a bond company, and many other things could be suggested that would be just as good. Why not provide that such security may be accepted as shall meet with the satisfaction of the minister? The only real difference is that the trader has to pay $75 to get the bond from the guarantee company, whereas in the other case he has not that expense.

Mr. BUREAU: There is a lot in what my hon. friend says, but he knows by experience the difficulties in connection with taking other security. If a man wants to be his own security—

Sir HENRY DRAYTON: It would have to be outside security, of course.

Mr. BUREAU: There were cases as soon as the law was amended, and when they came to the minister and he had to make a decision, he was accused of causing hardship and all sorts of things. In the case of a bond to be given when duty was not paid on liquor, we made it a guarantee bond approved by the department. I would have no objection to what has been suggested if it were not for the difficulty of administration. and the very difficult position in which the minister is very often placed. He may do some injustice in refusing to accept certain bonds, and on the other hand he may expose the government to loss by accepting certain bonds. This makes it difficult. If my hon. friend wants to make it bank security, or add to the kinds of securities we must accept, all right; but I think it is unfair to leave it to the minister to judge whether or not the security should be accepted.

Sir HENRY DRAYTON: I do not want to add for one moment to the minister's difficulties, or to be the cause of his losing one wink of sleep. Why not say, or "bank guaranteed"?

Mr. BUREAU: I would not object to that.

Mr. WHITE: That would cover the ground, I think.

Mr. JACOBS: It is just a question whether the bank has the power to give guarantees to the government for its customers. Banks are created for a certain specific purpose, and I do not think it would extend to giving credit to the government for their customers. That is the function of a bonding indemnity company.

Sir HENRY DRAYTON: I do not think there would be much trouble about that. Every time a bank issues a letter of credit it is, in effect, doing that.

Mr. BUREAU: We have never had any difficulty in getting bonds from outside, but they want us to take their own guarantees, and that is where the trouble comes in. Better leave it as it is, and if there is any difficulty in any particular case we will see what we can do about it.

Mr. WHITE: The minister has had a special case placed before him, and he says he cannot alter the statute.

Mr. JACOBS: Why cannot the man get a bond to guarantee his dealings?

Sir HENRY DRAYTON: It would cost him $75 a year. It is a very serious addition the government is making to the cost to the public.

Mr. BUREAU: How are you going to protect the government?

Sir HENRY DRAYTON: This is one of the troubles of this legislation. The government says: You can only do business with us if you give us a bond, and that will cost you $75 a year to get. Now, there is any amount of different ways of giving security.

Mr. ROBB: He can always get his refund.

Sir HENRY DRAYTON: My hon. friend knows about refunds.

Mr. ROBB: I know it is slow.

Sir HENRY DRAYTON: I venture to say there are refunds still outstanding under the sales tax legislation of last year, any amount of them. The department does not know, nobody knows, what the position of refunds of sales tax under that legislation of last year is.

Mr. JACOBS: You are dealing there with hundreds of millions of dollars. You cannot expect that to be rushed through in a day.

Sir HENRY DRAYTON: What a vivid imagination my hon. friend has—hundreds of millions of dollars!

Mr. JACOBS: Yes; I am talking of the sales tax.

Sir HENRY DRAYTON: I do not think it is quite as bad as that, but the refunds are enormous. I do not think my hon. friend got the effect of the interpolation by the Acting Minister of Finance. He says that they can get all this back by way of refunds. That brings up the question, how about refunds in the past, how many are still unpaid under the legislation of last year when we had this fundamental change made in the collection of the tax? That change in the act was the direct occasion of a tremendous amount of refunds, and they are not paid now.

Mr. JACOBS: There is about $30,000,000 or $40,000,000 involved in that.

Sir HENRY DRAYTON: It is a pretty serious thing, and is it not a serious thing for the trader, that he should have to put this up without—

Mr. JACOBS: Is it not more serious to make refunds without a proper checking up and auditing of the accounts, without investigation and inspection?

Sir HENRY DRAYTON: There is no question about it, that the most serious thing is to create a condition that results in a mess where you do not know where you are with respect to refunds. If there is any way of getting out of any more messes with regard to refunds—

Mr. CANNON: Were there any refunds when my hon. friend was minister?

Sir HENRY DRAYTON: I do not remember any. There was no legislation passed then creating refund liabilities that I remember. My hon. friend has a keen wit and a very good memory. Perhaps he will tell me what legislation was put through then creating refunds.

Mr. JACOBS: We had to do it after you left office.

Sir HENRY DRAYTON: My hon. friend is showing his humour again, although not his usual strict fairness. This refund business, as my hon. friend knows, is the result of the legislation of last session. It has absolutely nothing to do with a single act that we had on the statute book before. Now what is the use of getting into this silly kind of altercation here? Of course, I do not mind it a bit; if my hon. friend likes it he can go on indefinitely; I rather like it.

Mr. BUREAU: I may tell my hon. friend that this system of refunds has been made easier and simpler. I have not the new regulations here, but I would like my hon. friend to see them. They are much simpler.

Mr. CALDWELL: The hon. ex-Minister of Finance simplified this matter when he was in office by simply refusing to make any refunds at all. He acted on the principle, what we have we'll hold, what we have collected we'll keep, especially in the case of the automobile dealers. That was a very simple way of doing it.

Mr. BUREAU: But a radical way of making it simple.

Sir HENRY DRAYTON: I am still awaiting information as to that legislation that was passed when I was minister that created these difficulties in connection with refunds. I see my hon. friend (Mr. Cannon) is going out, without giving me the information.

Mr. CANNON: If I get any information from my hon. friend, it will be the first time I ever did.

Sir HENRY DRAYTON: I am afraid I am not going to help him out now. The hon. gentleman referred to me, and then I asked him to tell me the legislation I was responsible for that created the necessity for refunds, but I have not got the answer to that question yet. I have no doubt the hon. gentleman made a mistake. We will let it go at that. There was no such legislation, and no such situation created. I am very glad to hear the minister say that the regulations now are

very much simpler for dealing with this tremendous burden of refunds created by the legislation of last year.

Mr. BUREAU: I do not want to take credit to myself for that. It is the officials.

Sir HENRY DRAYTON: I give credit to my hon. friend if he has been able to do something in that direction, because the mess thrown on the department was something awful, and the expense put upon traders was tremendous. Inventories had to be taken all over the country, and checked, all for nothing, really all for nothing, but it all had to be done. I do not wonder that although the act was brought in last year the department has only now been able to find out some way of dealing with the situation. I am not blaming them for the delay. The legislation itself was of such a character as to invite opposition. Only last week, or quite recently, has the department been able to evolve a workable scheme. But, I repeat, the department is not to blame; the House and the government are to blame. The government are to blame for bringing down legislation they did not understand, and the House is open to censure for passing legislation which it did not understand; and we have had the sorry spectacle this year, with this act, only a year old, of ministers not being able to understand a simple regulation when it was read to them. More than that, they cannot understand how the tax act of last year is working out. Under these circumstances my hon. friend surely will not suggest that under the new act traders should be unduly handicapped. When they do not want to pay $75 for a bond, surely it would be perfectly easy to provide that it shall be a bond "or other approved security"—something like that.

Mr. BUREAU: You would still put it up to the minister?

Sir HENRY DRAYTON: But the minister takes far more grievous burdens under this act. It really ought to be a matter of regulation. It is only by regulation that the government are going to bring light out of the darkness, or order out of the chaos, that has existed for some time past.

Mr. BUREAU: As far as returns are concerned we are making the law simpler than it formerly was. My hon. friend contends that the guarantee ought to be subject to the approval of the minister. The minister says that will bring up a lot of difficulties. As I have just mentioned most of the time people come to the department and say "We will give you a guarantee ourselves."

Sir HENRY DRAYTON: A guarantee by the person himself is no good.

Mr. BUREAU: In the case of banks and corporations dealing with us they want to give their own guarantee. The advantage of having a guarantee bond is that when we have a claim it is made good. In other cases it very often means a law suit. I do not want to shirk any burden. On the other hand, in the interest of the better administration of the department, I think the clause as it is now framed should be allowed to stand. In some cases it may not work out with entire satisfaction but there is no regulation or law which works in that efficient manner.

Mr. WHITE: I can see where it might be a just provision to require a bond when a company is liable to the government for a certain amount. But if I am correctly informed in this case the company collects no sales tax, there is no money involved at all. Yet the government insists upon having a bond which costs a certain amount a year. The minister has expressed the opinion that he would accept a bank guarantee. To a certain extent that would relieve the situation but not entirely, because a certain amount of expense is incurred even in providing a bond of that character.

Mr. BUREAU: It is not a question of having sales tax returns. These men are paying the sales tax. But when the wholesaler sells to the manufacturer my hon. friend opposite claims he is entitled to a refund because the consumption tax is paid when the material is put into the article manufactured and that article is ready for consumption. That is the reason why the tax is called a "consumption" tax. The bond is given in order that the books may be accurately kept and the government may be able to obtain proper returns. If proper returns are not kept and there is any delinquency or fault on the part of the man who holds the license, we go to the guarantee company to get our money.

Mr. WHITE: Is the minister still willing to accept the guarantee of the bank?

Mr. BUREAU: I do not object to a bank guarantee.

Sir HENRY DRAYTON: Why not add to the section the words "or a bank?"

Mr. BUREAU: I would suggest the words "or of a chartered bank."

The CHAIRMAN: The words can be added at the top of page 4 and the line will then read " bond of an incorporated guarantee company or of a chartered bank."

Mr. MARLER: Is it the intention to generally license wholesalers or jobbers under this section?

Mr. BUREAU: We have not discussed the matter yet but it looks like it.

Mr. MARLER: It is a very important question. Any wholesaler or jobber getting a license of that description need not pay the sales tax at all until the goods go into the hands of the consumer virtually.

Mr. BUREAU: Why should the wholesaler have to pay the sales tax? If the manufacturer does not pay the sales tax why should the wholesaler if he is licensed have to pay that too and lose the interest on his money until the goods reach the consumer and we make a refund? I think it is only fair to the wholesaler as it stands.

Mr. MARLER: In some cases my hon. friend is perfectly correct. There are instances where the sales tax may not be paid at all. Is it the intention of the minister to classify these wholesalers as jobbers who may be granted licenses or is it not?

Mr. BUREAU: How would it be with the people who have not paid the tax? They would not pay the tax if they did not sell the goods.

Mr. MARLER: Suppose the return is not made.

Mr. BUREAU: We get a guarantee they will keep their books properly and that we will get a return.

Section agreed to.

On section 8—Refund on goods enumerated in item 445A.

Sir HENRY DRAYTON: This is for the purpose of implementing the budget and is a refund to the agricultural implement firms, under item 445A. It will cost us $204,000.

Mr. ROBB: It applies to 445A. I gave my hon. friend the figures some time ago.

Sir HENRY DRAYTON: I think it was $204,000.

Mr. ROBB: That would be the total amount. This would only be a small part of it.

Sir HENRY DRAYTON: Where is the balance of it put in?

[Mr. Bureau.]

Mr. ROBB: It would come under section 4.

Sir HENRY DRAYTON: Why is this dealt with in this way? At the time of the budget it was pointed out by my hon. friend that refunds which were given under the sales tax act itself were quite a proper matter for action under the existing machinery of the Finance department; but when by a budget proposal a direct charge is made on any of the income of the country actually received it is misleading. It is a wrong principle to treat it as a matter of refund because it is not. It is a matter of originating expense as a result of that legislation, and at the time it was discussed my hon. friend agreed with me. What is the reason for the change?

Mr. ROBB: It would be in the same position as the automobile matter we have just been discussing.

Sir HENRY DRAYTON: No, not at all. There was no refund in the case of the automobiles. If there had been, that money having been actually taken into the treasury of the country under the law which put it there, which law had no refund provision in connection with it, there would be no right at all to pay it out. This is put in just where it ought not to be put in; it is made a statutory charge, when it ought to follow the general rule and be voted in the estimates. It is the only proper way of doing it.

Mr. ROBB: The purpose of section 8 is to put Canadian material in the hands of wholesalers, jobbers or other dealers on the same footing as imported material used in the manufacture of articles covered by tariff item 445A.

Sir HENRY DRAYTON: The minister has not answered my point.

Mr. MEIGHEN: The purpose seems quite plain. It is another attempt to bury the estimates.

Mr. ROBB: No, no.

Mr. MEIGHEN: That is what is done. It is something that has to be voted to these companies, and it is going to be done by a statute instead of being put in the estimates and voted dollar for dollar by parliament.

Mr. ROBB: I think the hon. gentleman is wrong.

Mr. MEIGHEN: Tell me what it is.

Mr. ROBB: This is material that might be put in the hands of a retailer who had already paid the tax. Then he sells it, and it comes under this tariff item 445A, and he is entitled to a refund.

Mr. MEIGHEN: My hon. friend from West York (Sir Henry Drayton) has pointed out that the tax was paid under a law that made no provision for a refund; consequently the money is in consolidated revenue. Now a new law is passed and the money is required to pay that back. That money should be voted in the regular way.

Mr. ROBB: The hon. gentleman is wrong.

Mr. MEIGHEN: Of course the thing is as plain as can be. You might as well bury any estimate in that way. The minister admitted the point himself in the House a few days ago. I recall it myself. He thanked the hon. member for West York for making it clear. The law under which he paid the money made no provision for refund at all. Consequently the money is in consolidated revenue, properly so under that law, and not subject to any refund. Now he wants it refunded and the only way to refund what was paid in under the other law is by an estimate.

Mr. ROBB: I will be prepared to report to parliament the amount of refund and the names.

Mr. MEIGHEN: That is all right, but it does not appear in the estimates, and the minister's leader gets up and tells us what the payments are; but all this will be paid out, just the same as the branch lines money will be paid out, and there will be no opportunity to correct it.

Mr. JACOBS: The hon. gentleman can correct it when it comes up.

Mr. MEIGHEN: I cannot correct everything.

Mr. JACOBS: Why do we have a leader of the opposition?

Mr. MEIGHEN: To get things right when he can, and he would like to get the co-operation of the hon. member for George Etienne Cartier (Mr. Jacobs). Why does my hon. friend waste his time sitting away in the back, when he might put things right?

Mr. JACOBS: Would the leader of the opposition promise me a front seat?

Mr. MEIGHEN: The front in all good works.

Sir HENRY DRAYTON: Why has the minister departed from what he himself said?

Mr. ROBB: I have looked into it and I think this is the simplest way to do it. I shall be prepared to give to parliament the refunds and all the names.

Sir HENRY DRAYTON: Why not put it in the estimates?

Mr. ROBB: We do not know what it is, we cannot put it in the estimates.

Sir HENRY DRAYTON: The same suggestion was made before, and I pointed out to my hon. friend that the estimates were only estimates because we did not know the amount. Everything is an estimate. If we are to understand that the estimates are not to include the cost of carrying on the country, all right, let us understand it.

Mr. ROBB: We must have legislation of this kind, otherwise we could not provide for this refund. We have consulted with the officers of the department, and they consider that this is the best and simplest way.

Sir HENRY DRAYTON: It is the simplest way to get out of showing the financial condition of the country. It is the simplest way of evading the necessity of putting down in black and white just what this precious legislation is costing the country. It is the simplest way of bedevilling the country's bookkeeping, so that nobody will know where we are. And there are other things going on just the same. My hon. friend, if I remember rightly, told us that there was no reason why it should not appear in the estimates. That being the case, why has he changed his opinion? Surely he will tell us at eight o'clock why he has done so.

Mr. ROBB: I have consulted the officers of the department and they inform me that this is the better way.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose at six o'clock we were considering section 8.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. ROBB: I should not like to press for the third reading now as the ex-Minister of Finance (Sir Henry Drayton) is not in his seat.

Mr. SPEAKER: Next sitting of the House.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply, Mr. Gordon in the Chair.

Mail subsidies and steamship subventions—local services— vote 180—Baddeck and Iona, steam service between, $10,500.

Mr. LUCAS: Where is this service carried on?

Mr. ROBB: This is down along the coast of the Bras d'Or lakes in Cape Breton. It is one of those points where they have no railway communication.

Mr. BROWN: Have they a mail carrying contract?

Mr. ROBB: Yes.

Mr. GARDINER: Are they paid extra for carrying the mails?

Mr. ROBB: No.

Item agreed to.

Trade and Commerce—Canada Grain Act, administration of, $1,100,000.

Mr. GARDINER: I understand that the elevator at Vancouver is under the control of the Harbour Board, and that the Grain Commission have very little to do with it. Is it the intention of the minister to allow that elevator to remain under the control of the Harbour Board, or will it be put back under the Grain Commission?

Hon. T. A. LOW (Minister of Trade and Commerce): The operation of the elevator is under the control of the Harbour Board. The weighing and inspection is under the control of the Canada Grain Board.

Mr. GARDINER: Is the control of rates under the Grain Commission or under the Harbour Board?

Mr. LOW: The rate is fixed by the Harbour Board, which operates under the Marine and Fisheries department.

Mr. GARDINER: Without any reference to the Board of Grain Commissioners?

Mr. LOW: Yes, without any reference to them.

Mr. GARDINER: What rates are being charged for handling grain at that point?

[Mr. Speaker.]

Mr. LOW: That comes under the Marine and Fisheries department. The Minister of Marine and Fisheries will be able to give my hon. friend tthe information he asks for.

Mr. SALES: Is it not a dangerous thing to create a harbour board and give them a virtual monopoly of the whole of the business, nobody else having anything to say as to what rates they shall charge? It seems very unfair that all the elevators at the head of the lakes should be under the Grain Commission and have their rates fixed while in the case of other elevators the Harbour Board should have control. Take the port of Montreal, for instance: the receipts last year were $1,630,745.39, and the operating expenses $689,-855.03, leaving a balance over and above operations of $940,890.36. That is, more than half the total revenue at the port of Montreal is derived from the handling of grain. It is not in the interests of the farmers that harbour boards should have the sole power in these matters; that nobody should have the right to regulate their rates. So far as I can find, no report is issued by harbour boards such as those at Montreal and Vancouver. I do not agree with the minister that this should not come under his department. I do not see how the Minister of Marine and Fisheries should have anything to do with the handling of grain.

Mr. LOW: The Montreal Harbour Board handles large quantities of American grain, so that much of the earnings would come from that source. As to the fixing of rates, that is subject to the approval of the Minister of Marine and Fisheries.

Mr. GARDINER: Under present legislation a certain percentage of the overages goes to the federal government. Have there been any overages in the Vancouver elevator, and if so what is their amount?

Mr. LOW: There has not been an official weighing since the Harbour Board took over the elevator. There will be one, though, in the course of the year.

Mr. WARNER: How do the charges at Vancouver for the handling of grain correspond with those at Montreal and the lake ports?

Mr. LOW: I am informed that they are slightly less than at Montreal. I am not altogether sure, but that is my information.

Mr. KNOX: What are the charges per bushel at each port?

Mr. LOW: If my hon. friend will put that question to the Minister of Marine and

Fisheries when his estimates are under consideration I am sure he will be glad to give the information. The matter is under his department; we have nothing to do with the fixing of rates.

Mr. FORKE: It is very strange that when we are considering the Canada Grain Act we are told that everything has to be answered by the Minister of Marine and Fisheries.

Mr. LOW: Nevertheless the matter of the fixing of rates is under the control of his department. It is only a question of deferring the inquiry for a day, when hon. members will be able to get the information from the minister in charge of that department.

Mr. SALES: I would like again to protest against any harbour commission having a monopoly such as the Montreal Harbour Commission or the Vancouver Harbour Commission have. In 1922 the Montreal Harbour Commission had a balance of $973,741. Now, when the grain is contributing a balance of nearly a million dollars a year to the Harbour Commission at Montreal, the question arises in the minds of the farmers whether it is not contributing too much. I think it would be in the interests of everybody, and especially of the farmers if all the elevators in the country were under one control, and that control the Board of Grain Commissioners, with power to fix rates; and any overages coming from these transfer houses at Montreal, Vancouver, Prince Rupert or elsewhere should belong to the people and should be taken care of by the Grain Commission. I say it is a dangerous principle to create a monopoly of this kind and have the board responsible apparently to nobody except the Minister of Marine and Fisheries.

Mr. LOW: My hon. friend would not say that a surplus of $94,000 in the thirteen years of operation is too much. We could scarcely figure any closer than that.

Mr. SALES: Is the minister referring to the surplus for operating these elevators by the Board of Grain Commissioners?

Mr. LOW: Yes. Spread over the thirteen years there has only been a surplus of $94,000.

Mr. SALES: I want to understand this clearly. Does the minister mean that the operation of the Canada Grain Act by the Board of Grain Commissioners has resulted in only $94,000 profit?

Mr. LOW: In a profit of $94,000 in the thirteen years.

Mr. SALES: By the Board of Grain Commissioners?

Mr. LOW: The Board of Grain Commissioners.

Mr. SALES: I am very, very sorry to have to appear to be teaching the minister his business, but I have a report here from the office of the Department of Trade and Commerce giving the revenue and expenditure under the Canada Grain Act since 1911. I will read the figures year by year, because I notice that on May 19th the minister stated that there had been a considerable loss in the early years of operation under the Grain Commission. Here is the statement I received from the Trade and Commerce department:

Statement showing the revenue and expenditure under the Canada Grain Act, Board of Grain Commissioners

Year	Expenditure	Revenue
1911-12..	$ 226,894 75	$ 230,173 87
1912-13..	340,294 82	330,430 49
1913-14..	450,737 57	510,184 10
1914-15..	527,773 83	517,034 63
1915-16..	659,062 48	913,616 46
1916-17..	884,999 27	1,459,811 40
1917-18..	1,007,989 04	1,499,875 88
1918-19..	937,521 33	1,082,069 63
1919-20..	925,597 28	1,092,605 59
1920-21..	1,059,565 35	1,483,277 57
1921-22..	1,235,000 00	1,937,323 03
1922-23..	1,386,803 74	2,364,037 48
1923-24..	1,720,781 06	2,308,254 05
Total..	$11,363,020 52	$15,728,694 18

That shows a surplus of revenue over expenditure of $4,365,673.66.

Mr. CALDWELL: Who was that report prepared by?

Mr. SALES: I asked the Department of Trade and Commerce to give me these figures, and this statement was forwarded to me by Mr. Parmelee, for the Deputy Minister of the Department of Trade and Commerce. That is the amount the farmers of this country have contributed to the consolidated revenue fund through the administration of the Grain Act. I was not in the House when the minister's estimates came up the other day, and I was surprised to read his statement that there had been a considerable loss in the operations of the Grain Board during its earlier years. Needless to say, when I got these figures from the Trade and Commerce department I was still more surprised. Then, in addition to that surplus, there is the $550,000 residue of the wheat board funds. We are trying to organize a marketing pool in the western provinces, for there is nothing more important to us, Mr. Chairman, to-day, than the marketing of our products. Our provincial governments have all passed resolutions asking that these wheat board funds should be returned, but as I understand it,

the Acting Minister of Finance, whom I am pleased to see in his seat, has taken the stand that he is going to hold that money because some of our people have not paid for their seed. I do not think that is at all fair. When we add this $550,000 of wheat board funds to the surplus of revenue over expenditure of $4,365,000, it makes nearly $5,000,000 which the growers of grain, those selfish people my hon. friend from Fort William (Mr. Manion) was referring to the other day, have contributed—

Mr. MANION: That will pretty nearly pay for the estimate this year.

Mr. SALES: And pretty nearly for the Hudson Bay railway, too I do hope that in the face of the figures I have given, the Acting Minister of Finance will reconsider his decision and accede to the requests of the provincial governments for the return of these wheat board funds, at least. That is all I have to say at the moment.

Mr. HANSON: In the light of the figures the hon. member has just given, it seems to me that an explanation, and an adequate explanation, is due to the committee from the minister, because there is such a wide variance in the figures quoted by himself and those given in the return supplied by his department.

Mr. LOW: I intended to answer the question but my hon. friend (Mr. Hanson) rose too soon. I propose to stand by the statement I made a few nights ago, that the surplus amounted to $94,000 as a result of the operations of the Canada Grain Board during the period of thirteen years and ten months. During that time the total revenue amounted to $8,366,155.15. The total expenditure was $7,849,124.94, leaving a surplus of $517,030.17. Deducting the provisional bonuses allowed to the grain staff during the years 1918-19, 1919-20, 1920-21, 1921-22, 1922-23 and 1923-24 to the 31st January, amounting to $442,622.62, the net receipts for the period of thirteen years and ten months referred to amount to $94,407.55.

Mr. SALES: Will the minister explain how he arrives at these figures?

Mr. LOW: The trouble with my hon. friend is that he is mixing the figures for the operation of the elevators with the figures under this item. The elevators are not under consideration at the present time they will come up under item 379. I have not looked the matter up to see what the revenue and expenditure amount to in that case, but the item will be under discussion some time this evening, or at a later date. However, I stand by my statement of a few nights ago that the total revenue under the administration of the Grain Act amounted to $94,407.55.

Mr. SALES: I should just like to read this:

> As requested I beg to attach herewith statement showing the revenue and expenditure under the Canada Grain Act and Board of Grain Commissioners, as per calendar years 1911 and 1912 and 1923 and 1924.

Those are the figures I have quoted from a statement signed by Major Parmelee, who is assistant deputy minister, I understand.

Mr. LOW: The hon. gentleman was not in his seat, I think, a few nights ago when I made my statement. In the past the estimates for the administration of the Canada Grain Act and for the management and operation of the grain elevators. have been combined. In the last fiscal year the amount in the estimates was $1,558,839. This year the combined vote for those services is $1,520,000, covered by votes 372 and 379 a decrease in the two items combined of $38,839. If my hon. friend will allow the matter he has been discussing to stand until we take up item 379, where it should properly be considered, I am sure he will have ample opportunity to present any figures which he wishes to bring to the notice of the committee.

Mr. FORKE: If the minister had made that explanation at first some little time might have been saved.

Mr. LOW: May I inform my hon. friend that this item was discussed for an hour or an hour and a half some nights ago. The hon. member (Mr. Sales) challenged the statement that I had made and I had no desire to prevent him from speaking. However, if I had known he was going to enter into this discussion I would have asked him to defer his remarks.

Mr. SPEAKMAN: In connection with the management of grain elevators at different ports, I presume the elevators at the head of the lakes are under the direct control of the Board of Grain Commissioners, whereas the elevators at Montreal and Vancouver are under the control of the Harbour Commissioner of those ports?

Mr. LOW: Yes.

Mr. SPEAKMAN: I cannot quite see the reason for that difference. Although I do not class myself as a grain expert I can see that there is a greater similarity between the elevators at Vancouver and at the head

of the lakes, than there is between the Vancouver elevators and the Montreal elevators. I understand that at Montreal the elevators are more or less transfer elevators. That is, practically no farmer's grain is received there; whatever grain is received is transferred there for transhipment?

Mr. LOW: Yes.

Mr. SPEAKMAN: At Vancouver, however, the elevators are terminal elevators in the true sense of the term—that is they are not only used as shipping elevators but as receiving elevators for farmers' grain. At Montreal practically no mixing can be carried on; there are no mixing elevators there but simply transfer elevators. On the other hand, mixing operations can be carried on at Vancouver just as they can at the head of the lakes. I am speaking now from the point of view of the men who raise the grain, and after all they are the men who are chiefly interested in elevators, and who should have the greatest voice in their management. It seems to me that control by the Grain Commission is absolutely essential where the mixing can be carried on. I certainly concur, and concur most heartily, with the sentiments expressed by other hon. gentlemen on this side that it is vital that where proper terminal elevators are erected, where grain is received and where mixing operations may be carried on, the elevators should be under the control of a responsible body of men who are trained for the work and understand it thoroughly.

Mr. SALES: I should like to have a little further explanation from the minister. I do not want to dispute his figures at all but the figures I have quoted are taken from the general report. I find there, certain items of receipts which give a total of $2,444,175.70. That includes grain inspection and weighing fees for which the farmers undoubtedly have to pay. It also includes the registration and cancellation of warehouse receipts and the sale of grain samples. Undoubtedly these items appertain to the farmers also. There are likewise included—license fees for terminal elevators, storage fees, miscellaneous collections, and so on. If, by some other method of bookkeeping the minister arrives at a conclusion different from that to be drawn from the figures I have presented, my contention still is that the farmer must bear the cost of these different items which go into the consolidated revenue. The minister may alter his method of bookkeeping, but I do not think in the end he will dispute the facts I have presented that from one source and another the receipts have amounted to nearly $4,500,000 during the last thirteen years.

Mr. CALDWELL: More than cost?

Mr. SALES: Yes, over and above the cost of operation.

Mr. SPENCER: Have the Board of Grain Commissioners anything to do with setting the freight rates on the Great Lakes and the regulation thereof?

Mr. LOW: No, the government has nothing to do with fixing the rates on the Great Lakes, but if, in the opinion of the board these rates are too high, they can step in and fix the amount. So far they have not done so.

Mr. SPENCER: Is the minister aware that the charge to-day between Canadian ports, where the distance is much shorter, is higher than the charge from the Canadian ports to American ports? In other words, where there is no competition the shippers are being held up. Wherever there is competition they are cutting the price. I quoted some figures the other day which are referred to in the Grain Growers Guide, and I believe in other papers. An editorial in the Grain Growers Guide reads as follows:

> The patriotic Canadian lake shippers, who enjoy a monopoly under the coasting laws, are soaking the shipper who exports wheat through Canadian channels. Where they have a monopoly they charge 2½ cents; where they face American competition they charge 1¾ cents. They charge 42 per cent higher rates on wheat by the all-Canadian route.

Could the minister give us some information in regard to these figures and let us know if they are true or not.

The CHAIRMAN: I am inclined to think the hon. member is hardly in order under this item.

Mr. SPENCER: If I am not in order I can bring it up some other time. I asked this question the other day and the minister informed me that when he brought down his estimates I would have an opportunity to ask the question.

Mr. LOW: I have no objection to the hon. member's asking the question. There are various reasons why the rates to American ports are lower. Competition is the regulating factor in all these rates but the vessels have more ore and coal to handle when going to American ports than when destined for Canadian ports, and I am told by some vessel owners that the facilities for handling grain at Buffalo and other American ports are such

that the cost of handling is less than at the Canadian ports. Whether that is the fact or not I am not prepared to say but that was one of the reasons given. I wired the Canada Grain Board yesterday asking them if they could give me any reason why the rate to Canadian ports should be higher and why there should be a higher rate where there was no competition assuming the statement quoted to be true, but up to the present time I have not received an answer. When that reply comes I shall be very glad to hand a copy to my hon. friend.

Mr. HOEY: Can the minister tell me whether the dispute with reference to the overages at terminal elevators has been settled? Has the court given its decision as to the right of the government to take the overages at certain terminal elevators?

Mr. LOW: It is still pending in the courts.

Mr. HOEY: It has been in the courts a long time.

Mr. BROWN: In the meantime nothing has been collected on overages; is that the situation?

Mr. LOW: I think the hon. gentleman is asking me a question in connection with some private companies.

Mr. BROWN: In the meantime is the government receiving anything from overages as provided for in the statute?

Mr. SALES: Will the minister tell us what the apple growers and potato growers pay for their inspection?

An hon. MEMBER: One at a time.

Mr. LOW: That matter should be discussed under the Department of Agriculture estimates.

Mr. COOTE: Do the salaries of the Board of Grain Commissioners come under this item?

Mr. LOW: Yes.

Mr. COOTE: Are the salaries of the Board of Grain Commissioners included in the amount which the minister quoted in answer to the hon. member for Saltcoats (Mr. Sales).

Mr. LOW: The salaries of the commissioners and secretary are included in that item.

Mr. COOTE: Are the salaries of the staff at Montreal included in that item?

Mr. LOW: The salaries of the eastern inspection division come under this item. They amount to $21,402, expenses, $1,000, and printing and stationery $1,800. The Grain Commissioners come under this as well. The vote covers the salaries of the officials, both permanent and temporary, all contingencies under the administration, the various officials in the eastern and western grain inspection divisions, salaries and contingencies of the Board of Grain Commissioners, and salaries and contingencies of the grain research laboratory, except the salary of the chief chemist.

Mr. MARTELL: Are there inspectors in other branches, such as mixed farming, apple growing and so on, whose salaries are paid by the department?

Mr. COOTE: Do you know of any other department under which these services come?

Mr. LOW: They are under the Agriculture department. My hon. friend must ask the Minister of Agriculture about the inspection of fruit.

Mr. CALDWELL: There is a fruit commissioner.

Mr. COOTE: Does the minister know of any other department of the government that is engaged in the growing of any agricultural produce which returns a profit under its operations?

Mr. LOW: The hon. member will have to ask the Minister of Agriculture. He has a number of inspectors under his department.

Mr. MARTELL: Would the minister tell me whether gypsum comes under the Department of Agriculture? If it does, it is a new idea. If the department provides a commission for grain inspection, they should have a commission for the inspection of apples and fruit, and there should be a commission for the inspection of gypsum. The whole thing seems to be for grain; everything is done for grain and nothing else.

Mr. COOTE: Would the minister be good enough to give me some information regarding an answer to a question which he gave a few weeks ago? My question was as follows:

> What were the total receipts and expenditures respectively incident to the inspection and weighing of grain by the Board of Grain Commissioners for the years ending August 31, 1921, 1922 and 1923?

I give the minister's answer, adding in each case the surplus as shown in the difference:

Year ending Aug. 31, 1921—	
Receipts..	$1,011,678 84
Expenditures..	742,314 98
	$269,363 86

Year ending Aug. 31, 1922—	
Receipts	$1,263,253 47
Expenditures	847,186 90
	$416,066 57
Year ending Aug. 31, 1923—	
Receipts	$1,433,984 32
Expenditures	972,631 16
	$461,353 16

This makes a total of $1,146,782. Will the minister please explain those figures to the extent of telling us just what is covered in the expenditures? Is he now trying to give the House the impression that there are other expenditures that are not shown in this statement?

Mr. LOW: The item covers the salaries of the Grain Commissioners, weighing inspection services, contingencies of all kinds, temporary staff, and research laboratory, with the exception of the chief chemist.

Mr. COOTE: The minister admits that there is a surplus in the last three years of some $1,147,000.

Mr. LOW: Why does not my hon. friend go back a few years? The year immediately previous to the first one that he has given showed a deficit of $215,993 and the year previous to that a deficit of $221,415; and for six or seven years prior to that, again, there were deficits. If the hon. gentleman will include those figures he will find that the amount I gave him of $94,000 of a surplus for the thirteen years and ten months is correct.

Mr. COOTE: Is the minister prepared to recommend to the Board of Grain Commissioners this year to reduce the fees in view of the surplus of $461,000 odd which was shown last year?

Mr. LOW: I should be glad to recommend that reduction to the government if we were sure that we should have the same amount of grain to be inspected in the coming year. In the nature of things we are obliged to keep a permanent staff, and it is quite possible that through some misfortune we might have a deficit instead of a surplus. If we were sure that there was going to be a surplus each year I should be very glad to recommend to the government that there be a reduction in the fees; but in view of the uncertainty that necessarily prevails I cannot do that. The surplus this year up to January 31, 1924, is $242,036.

Mr. COOTE: I would suggest to the minister that he consult the Minister of Agriculture (Mr. Motherwell) who is very strong on faith; if he did that, perhaps he would be inspired with enough faith to risk the consequences of a reduction in the fees.

Mr. McMASTER: Faith without works is dead.

Mr. COOTE: Let me draw the attention of the minister again to the fact that last year there was a surplus of $461,000, the previous year a surplus of $416,000 and in the year 1921 a surplus of $269,000. How long does the minister expect to wait before he recommends the reduction, or how big a surplus must there be in order that the fees should be reduced?

Mr. LOW: It all depends on the amount of grain we have to inspect. If we were sure that the quantity would be the same this year as last year I would have no hesitation in making a recommendation to the government. We are anxious to help the farmers in every way possible, and I have no doubt that before this session is over the farmers will receive as much benefit from other services as they would get by a reduction in the fees.

Mr. COOTE: Does the minister think that this board was established as a money-making proposition?

Mr. LOW: If my hon. friend will glance over the figures for the past thirteen years I think he will be satisfied that the government that organized the Grain Board had no such thought in mind.

Mr. COOTE: They did not expect that it would be a paying proposition the first year, surely.

Mr. LOW: For ten years there was a continuous deficit, but the government always made provision for it in the hope that some day things would come out even; and in thirteen years and ten months there has been the surplus which I have already mentioned.

Mr. BROWN: Any deficit that might be incurred in this particular branch would be offset by a surplus in some other direction.

Mr. COOTE: I would call the minister's attention to the suggestion which the hon. member has just made. Although we have a great many kinds of agricultural products in Canada which are graded by the government, grain is the only product for the grading of which we make any charge; it is the only product in the grading of which the government secures a revenue. I want to ask the minister now whether he would have any

objection in handing over the administration of the Canada Grain Act to the Minister of Agriculture. Possibly if he did that we might have the inspection done for nothing, because the Minister of Agriculture inspects apples, potatoes, butter and eggs free of charge. On what grounds does the minister justify the making of a profit out of the grain farmers.

Mr. LOW: The farmers of the West receive benefits in other ways. At Saskatoon we have an elevator that cost $2,500,000, but there is no account of that taken in fixing the rates. There is another one at Moose Jaw and another at Calgary; and we are about to erect one at Edmonton at a cost of probably $1,250,000. Yet no provision will be made for the amount invested in that elevator in fixing the rates; no fixed charge will take care of that capital expenditure.

Mr. MEIGHEN: What is the one at Prince Rupert?

Mr. COOTE: On what ground would the minister justify the building of an elevator at Edmonton, the capital charges of which are to be taken care of by the inspection of grain at Fort William or Vancouver? Is that his argument?

Mr. LOW: Possibly some of the members sitting not very far from the hon. gentleman would be best able to answer that question in regard to the Edmonton elevator.

Mr. COOTE: Is the minister refusing to answer the question? Am I to take the inference in his first statement as being correct?

Mr. LOW: It is not an insinuation at all; I merely say that there is no provision made for separate outlay and charges as capital expenditure in connection with these elevators. A large elevator at Fort William was built in the same way, and I am sure that if my hon. friend benefits from the elevator at some other point he will not object to hon. gentlemen living in another district benefiting in the same way.

Mr. COOTE: Will the minister tell us whether the charges at Fort William are the same as at the elevators at Calgary and Saskatoon?

Mr. LOW: I might remind the hon. member once again that this question is properly to be discussed under vote 379.

Mr. COOTE: Mr. Chairman, it was the minister himself who tried to sidetrack the question on to the interior elevators by explaining the way the profits made at Fort William were used, saying that they were really going to pay the capital charges on the internal storage elevators. Is not that the fact?

Mr. LOW: I endeavoured to answer my hon. friend's question, and that is the answer.

Mr. COOTE: Then we can take it as an answer that the profits on the weighing and inspection of grain at Fort William are being used to cover the capital charges at other elevators?

Mr. LOW: They are spread to absorb the charges and losses on all the elevators. We cannot single out any one elevator and operate it alone; we combine them all, and the result is what I am placing before the committee tonight.

Mr. SALES: In order to clear up the situation, if there was only $94,000 profit in thirteen years, will the minister explain where the other $4,200,000 came from, and under what heading it is to be found? He will not deny that over $4,000,000 has been received altogether?

Mr. LOW: I have not even looked at the elevator figures to see how they are worked out; when we reach that item I shall be glad to answer the hon. gentleman.

Mr. SALES: I am sorry to differ with the minister. He says that this question will be discussed under item 379, which I find is "Elevators, operation and management of the Canadian government." Is that the item?

Mr. LOW: The elevators are not under discussion under this item; they come under item 379.

Mr. SALES: Then has the $4,200,000 come from the operation of the elevators?

Mr. LOW: I do not know where my hon. friend gets the item of $4,000,000 odd. I have not looked at the elevator item; it is keeping me busy discussing the item before us at the moment.

Mr. SALES: I got the figures from your own department; that is all I can say.

Mr. LOW: I will present the total figures when the elevator item is under discussion.

Mr. BROWN: If I caught the minister aright, he said that this item includes money spent for the research laboratory, with the exception of the chief chemist's salary. Does that mean Dr. Birchard?

Mr. LOW: Yes.

Mr. BROWN: Then are we to take it that he is not to be continued in the employ of the department?

Mr. LOW: His salary comes under civil government estimates.

Mr. MILLAR: There has been some discussion as to whether the elevators at Vancouver should be under the jurisdiction of the Board of Grain Commissioners or of the Harbour Commission. When I was in Vancouver last winter I attended a meeting of the Board of Grain Commissioners when this matter came up for discussion. Going back further, I may say that when I got in touch with the harbour commissioners at Vancouver I found that there was a great deal of prejudice against the inspection and weighing departments and against the officials generally at Winnipeg. For this I am convinced there is no good foundation. I am satisfied that the chief inspector and the chief weighmaster are quite willing to give ample opportunity for development of the grain movement at the port of Vancouver. Those who have read some of the evidence taken recently before the Grain Commission, as reported in the papers, have perhaps formed a fair idea of why there was this prejudice. I rather hesitate to mention the name of the company which has been discussed so much, but I think perhaps there is no reason why I should not do so. It appears that Smith and Davidson did not succeed very well at Fort William and Port Arthur and moved to Vancouver, and I am afraid that they had something to do with creating suspicion of the motives of the Board of Grain Commissioners. This matter of the mixing elevators is one of vital importance, millions of dollars being involved. At the meeting of the Board of Grain Commissioners in Vancouver to which I have referred, the member for Vancouver Centre (Mr. Stevens) sat close to me, and he gave figures to show that grain shipped out by the port of Vancouver, bought on grade but sold on sample, brought five cents a bushel more in some cases than it would have brought if it had been sold on grade. Why should grain sold on sample and shipped out from Vancouver bring more when it reaches Liverpool, and the buyers see the actual grain, than when it is sold on grade? I will try to make this perfectly plain, but before doing so let me say that a ship's captain stood up and corroborated the figures given by the member for Vancouver Centre, mentioning the names of those who had purchased the grain. Another gentleman did the same thing. I think the fact is established beyond doubt that Alberta grain shipped out of Vancouver and sold on sample brought five cents a bushel more than it would have brought if sold on grade. Remember, the port of Vancouver last year—the first year of any considerable grain movement westward—shipped out only 19,000,000 bushels; this year the business jumped to 55,000,000 bushels. Since this is a new grain-shipping port, people in Liverpool and London who are buying grain placed their bids on Vancouver grain on the basis of the grain they had been receiving in past years over the eastern route. Now, I think it becomes quite plain and I believe nobody can deny the fact, that they were placing their bids on the basis of the grain they had been receiving over the eastern route, where it is mixed and adulterated; consequently the grain shipped out from Vancouver in its purity was worth five cents a bushel more than if it had been mixed. Some may say that Alberta grain was better than the grain of Saskatchewan and Manitoba. Now, a gentleman who stood near me at the meeting, the representative of a large grain firm, made this statement, although it will not sound well to my Alberta friends. He said: "We do not get our strong grain from Alberta but from southern Saskatchewan and southern Manitoba." It will be remembered that our Alberta representatives have frequently spoken of the superiority of their grain and how it has taken so many prizes, being the best grain in the world. Well, as a matter of fact, they have only just started; we in Saskatchewan and Manitoba have taken more prizes than Alberta will take in the next five years! But that is aside from the question. The fact is that the grain sent out of Vancouver is not better than that which goes by the eastern route, but it is pure; the other is mixed.

Let me show the effect of mixing. When we took evidence before the Agricultural committee on the wheat board question several of the leading millers of Ontario were asked: "Do you as readily take grain from the mixing elevators as from the public elevators?" And they one and all replied: "No, we will not take grain at all from the mixing elevators if we can get it elsewhere." How is the mixing done, and what does it mean? It simply means that the poor grain is taken into the mixing elevators and the good grain is mixed with it in such a way that in no case does the percentage of inferior grain go beyond the requirements of the Grain Act. The act is followed very closely to see how much sprouted, how much bleached, how much frosted, how much shrunken and how much pie-bald grain is allowed, and this inferior grain is pumped in in the fullest proportions

allowed. Can any one argue for a moment that good grain can be mixed with inferior grain and still retain its original value? It is impossible.

Some have argued that because the farmer has already received his pay it makes no difference to him what is done with his grain. But it makes this difference; those who buy grain in the Old Country market buy it on its actual value, buy it for what it is; and if it has been lowered in value by mixing they pay that much less. The result is that the farmer when he delivers his grain to the country elevator will receive that much less, because what he gets is based on the Liverpool price less carrying charges. Our chief inspector was in England last year and when he returned he stated before the Grain Inquiry Commission that the British importer and miller were quite satisfied with the condition in which our grain was arriving. To those not familiar with the situation that might be misleading; it might give the impression that the grain they were receiving over there was as good as the farmer was delivering. But it does not mean anything of the sort; it simply means that the grain they are receiving in the Old Country is up to the price they have been bidding, and the price they have been bidding is based on the quality of the grain they have been receiving during preceding months. It simply means that the grain as received is uniform; that when they buy No. 3 they get what they they pay for, and so on.

The fact that the grain out of the Vancouver elevator sells for five cents a bushel more than it would if sold on grade indicates the extent of the damage done to our grain by mixing at Port Arthur and Fort William. The grain goes into the terminal elevators at the head of the lakes as Nos. 1, 2, 3, 4, 5, 6, but it goes out as Nos. 1, 2, 3, 4; in other words, 5 and 6 have entirely disappeared. How is it possible for millions of bushels of grain of grades 5 and 6 to be mixed in with grades 1, 2, 3, and 4 and not lower its value? It is absurd to argue anything of the kind. I admit there are types of grain that by scientific treatment may be improved in value. If a grain that should be No. 1 has some removable defect it is quite possible by scientific treatment to put it back into No. 1 without doing harm to anyone. But does that apply to grain that is No. 6 and cannot be anything else but No. 6? No scientific treatment can improve its milling value. When it is put off in this way it must simply be put in in a small stream with the higher grades, and that is what is done.

Vancouver is a new port and these mixing elevators are not yet established—well perhaps I should not say they are not yet established because one is already started. The Woodward elevator was purchased for that purpose as advertisements that appeared in the Vancouver papers indicated. Other elevators also are starting and those who are erecting them are going into the mixing business; that is where the money is. But I assure the department and the minister that if steps are not taken to prevent our grain from being deteriorated—and I speak particularly of grain from Alberta; I do not think much Saskatchewan grain will go that way—if steps are not taken to prevent this evil from getting a foothold and to prevent millions of dollars from being invested in the private mixing elevator business an enormous injury will be done to the grain growing districts of the prairie provinces. Now is the time to stop it; now is the time to prevent it before it gets a good start.

As to placing the elevators under the Grain Commission, I am sure that that would bring about greater confidence in the prairies. I discussed this matter with the harbour commissioners when there. Certain statements appeared in the press, conversations with citizens, and I could plainly see that the tendency would be to create a great elevator system which would work out for the benefit of the city of Vancouver, while those who grew the grain would be largely forgotten. I feel that is exactly what is going to take place unless the management of these elevators is placed under the Board of Grain Commissioners. There was some talk at that time of establishing different inspection divisions and of creating different standards; at least, that is what was implied. That would be a great mistake. We want a national standard; we want a national grain handling system; we want Montreal as well as Vancouver placed under one managing body, one chief inspector and one chief weighmaster. You will remember that about 1907 the United States had state inspection and they were very desirous of making such changes as would bring into force an inspection system similar to that of Canada. Their grain was arriving in Great Britain in a very unsatisfactory condition. I remember a remark of one grain importer in Liverpool: speaking of the port of Baltimore, he said they tried hard to regain their lost reputation —the grain was arriving in all sorts of conditions. He said that for many months they sent forward their grain in very good condition, and then all at once it fell off, and as much was lost in one cargo as was gained in three or four. The United States has since gone to a national system of inspection. To create in Canada separate inspection divis-

ions, different in the East from the West, would be a retrograde step; it would be going back to a system which the United States discarded because it was unsatisfactory.

With regard to the work of Dr. Birchard, does that come under this vote?

Mr. LOW: His salary is included in the civil government estimate, but his work comes under this vote.

Mr. MILLAR: I would like to say a word in regard to that. It is a work of vast importance. We have certain types of wheat that are not getting justice. I make bold to say that one can take No. 1 northern wheat. dampen it for twenty-four hours and make it grade No. 3. The wheat itself is not damaged in the least, but it becomes so discoloured in the bran that it goes into No. 3. The Americans are buying on the protein test. They are picking out our strong wheats, and the millers are doing the same. Everywhere great importance is laid on the strength of our wheat, yet the farmer has no means of knowing the strength of the grain he is selling. One improvement made during the time that Dr. Birchard has been at work was the raising of the moisture test, having to do with the amount of moisture the grain will carry and yet not be damaged in storage.

It has been raised—I am speaking offhand —a little over two per cent. What does that mean? It means that thousands of cars that were formerly graded tough, and would thereby lose six or seven cents a bushel, are now graded straight since the moisture test has been raised to 14 or 14.2, and that in itself is a great gain. I believe the chief inspector should have this official right at hand all the time to give him every assistance. Their work should be brought as close together as possible. There have been some reports, I do not know whether they are any more than rumours, that there was some thought of taking this work to a greater distance than it is now, even of doing it at the Agricultural College. Let me say that if the work is done at the Agricultural College, some two or three miles away from the inspection department, it might as well be closed down, in fact better, because we would get no benefit while there would be a pretence of giving us protection. I believe that millions of dollars would be saved to the producers of this country if the work that Dr. Birchard is doing was developed still further. Some of the other parts of the Dominion may say they would not like to pay so much, that it would be too expensive. I think the test of that would be this: Would those who are to reap the direct benefit of this work be willing to pay for it themselves, provided they were relieved from paying the bills of others in other parts of Canada? I am sure they would be willing to pay for the work if it was properly done. Some of the work that has been done will take years to come to fruit. This work should be continuous; it should be encouraged and developed, and as I said before, it should be kept as closely in touch with the chief inspector as possible. If I read aright the evidence of the chief inspector before the board of inquiry, he strongly approved of that; he was very much in favour of the work being carried out, and considered it a great help to him. I am quite convinced I saw that in the press reports. I have confidence in the minister. The stand he took in a certain matter has greatly pleased me. A certain matter came before him and had to be dealt with decisively, and his action in that case gave me confidence in him. I believe he will do the right thing in respect of this work also when he comes to understand it thoroughly, and I would ask him before he comes to any decision as to doing away with this office or moving it to a distance from the inspection department, that he take the advice of those who are in the best position to know. I suppose the Grain Inquiry Commission will report on this; the Board of Grain Commissioners and the chief inspector also know the value of the work, and I am quite convinced that when the minister has studied the matter, instead of the office being disbanded, he will be quite willing to spend more money on it, and he will be satisfied that it is money well spent.

Mr. MANION: I should like to ask the hon. member a question, and I do so entirely in good faith. He mentioned Davidson and Smith, and I rather gathered that his remarks reflected upon them. I happen to know them; they were constituents of mine for a long time, and I should like to know if my hon. friend meant it that way, or whether he just mentioned their names incidentally. I should like to know what he did mean, because his remarks sounded like a semi-charge against Davidson and Smith.

Mr. MILLAR: I would like to say to the hon. member that perhaps a year ago I would have been reluctant about mentioning their names at all. But let me tell my hon. friend this: A cargo of grain that went out of Port Arthur a year or perhaps two years ago to Buffalo was held up there, re-sampled by the inspection department, and graded 4 tough. When it went out of the Davidson and Smith elevator, it went out

as straight No. 3. That was the first step that rather broke down my confidence in that company. My hon. friend from Saltcoats thinks it was graded No. 2, but I am under the impression that it was graded No. 3. Now very recently action has been taken against the Davidson and Smith people at Winnipeg by the Grain Exchange and the Bawlf Grain Company to recover the loss on that cargo.

Mr. MANION: Is that action still in the courts?

Mr. MILLAR: Yes, it was taken about ten days ago. In addition to that their names have also been brought up in this inquiry that has been going on. They have appeared in connection with what has now become known as the Maharg Spout at No. 1 elevator, at Vancouver. It seemed rather strange when it was discovered that the only other spout like this one appearing in the Vancouver elevator was in the Davidson and Smith elevator at the head of the lakes. That was another step that helped to break down my confidence. As to the rest, I think you might go over the newspapers. The names of this company have come up before the board of inquiry all over, at Vancouver, Winnipeg, and elsewhere. They have come up time and again. A number of the men who worked for Davidson and Smith at Port Arthur were engaged by the Harbour Commission at Vancouver. I myself heard the man who was responsible for placing this spout in No. 1 elevator admit responsibility for it, and he also had worked for the Davidson and Smith people. It is not surprising, therefore, that the Grain Inquiry Commission thought it wise to investigate this a little further and find out what connection there was between the two. I think they went so far as to find out how many who now work for the Harbour Commission at No. 1 elevator at Vancouver had worked for the Davidson and Smith people. There has been so much said about this matter in the papers that I have no hesitation in saying that their record is not of the best.

Mr. MANION: I have no brief for Davidson and Smith. At the same time, I have known both gentlemen for a great number of years. In fact, I grew up with Jack Smith, and Jack Davidson, I have known for twenty or more years. While there have been some such general statements made about them as my hon. friend has just mentioned, I do not know of a single case of shady dealing of any kind that has ever been proven against them. My hon. friend pointed out that a case is now pending against them in the courts, so I do not suppose we have a right to prejudge that case. So far as charges about handling grain are concerned, I think we all remember—I am not making any charge, but if we wish to retail newspaper talk in the House here, I think we all remember—a charge of false bottoms being used in elevators at the head of the lakes, and not in Davidson and Smith's elevator. I say this in justice to them. They are two young men who certainly have made good from a business point of view in western Canada. Whether there are charges against them of a disreputable character that can be proved, I know not, but none have been proven.

Mr. SALES: What does the hon. member mean by "made good?"

Mr. MANION: In the sense that my hon. friend has made good; they have made a good deal of money.

Mr. SALES: Then they are different from me.

Mr. MANION: They may have made it differently from my hon. friend, but that is what I meant by making good, that they have made a good deal of money, as I understand my hon. friend has done. I do not know that there should be in this country to-day any reason for looking down upon a man because he happens to make money. My hon. friend mentioned certain of these men. I hold no brief for them but personally I do not think it is proper to imply that because any man makes money he does so crookedly. There are a great many men in this country who have made large sums of money and done so honestly. I simply rose for the purpose of making this remark because my hon. friend from Qu'Appelle, who is usually very fair, mentioned these men's names, and as he later explained meant to mention them in a tone of suggestion. Without knowing anything at all about the case and without having any brief for them in any shape or form, but knowing them personally, and having known them for a great many years I have made these remarks. I feel it is perhaps not wise to make suggestions about men who cannot defend themselves here unless there are facts to lay before the House in regard to the matter.

Unless my hon. friend (Mr. Millar) desires to make some explanation at this point, I wish to say a few words about the subject under discussion myself. If I understood the minister correctly the Board of Grain Commissioners had in the past thirteen years made $94,000 profits. That is, they are ahead of the

game, if I may use the expression, to that extent. But my hon. friend from Saltcoats (Mr. Sales) gave figures showing that the Board of Grain Commissioners were really ahead to the extent of $4,500,000. Now, I simply wish to see if I understand the facts correctly. My understanding is this: The $94,000 which the Board of Grain Commissioners have made in their operation for the past thirteen years has reference to their direct work in seeing to the inspection of grain, sampling, and so forth. On the other hand the $4,500,000 to which my hon. friend (Mr. Sales) refers was the money—I take it that the figures are correct—made by the Grain Commissioners in handling grain as elevator owners for the people of Canada.

Mr. SALES: Altogether, I think.

Mr. MANION: Including the $94,000? Of course that is a small part of the $4,500,000. At any rate that is what I understood the figures to mean. I have no interest in the question myself. I do not wish to put myself up as having a special knowledge of the subject, but being at the head of the lakes where a great deal of grain is handled I have heard the question discussed a great deal. I take it that if those figures are correct, and I presume they are, the $4,500,000 has been made through the handling of grain through the elevators, has been made in exactly the same way as in the case of any of the other grain handling companies. For instance, the Bawlf Grain Company of Winnipeg, mentioned by one hon. member, have handled grain for a great many years and have done very well in a business way. Then too the Grain Growers' Grain Company have elevators through which they have been handling grain for some years and have been making, I think, reasonable profits. I take it, therefore, that the explanation I have given would account for the difference; that the $4,500,000 has been made in the handling of grain through elevators, and is a separate account. I think the minister will probably support that statement in a general way without looking up the item.

The only question that comes up is this: I can understand the contention of hon. members to my left and I think they have good grounds for arguing that that $4,500,000 should go back to the pockets of the farmers. I would thoroughly agree with them in that contention. At the same time there is the difficulty that if the Board of Grain Commissioners through their elevators changed their rates for handling grain it means that the rates will have to be the same in the case of the other elevators, because if particular elevators have lower rates than others it is natural that everybody would wish to ship his grain through those elevators. I presume that would create a difficulty. At the same time I should like to say that I thoroughly agree with my hon. friend's suggestion that whatever profit is taken out of the grain—which really comes out of the farmers—should later go back to the farmers. I say that not because we had some little argument here last evening but because it is entirely my own view.

There is another question mentioned by my hon. friend from Qu'Appelle—he stated it indirectly I thought—which has caused a good deal of discussion throughout western Canada in the past year, that is the question of sample markets. He spoke of grain bringing more money by being sold through the port of Vancouver because it was sold on sample. As I say, there has been a good deal of discussion throughout the West during the past year—partly engineered by some who wish to start a sample market—in regard to sample markets. Now, according to my understanding there is on the statute books of Canada to-day, and it has been in existence for a number of years, legislation permitting the establishment at Calgary and Fort William of sample markets! Am I not right in regard to that?

Mr. MILLAR: Will my hon. friend allow me to explain that I am very much against a sample market because such a market as established by law carries with it mixing privileges which has an evil effect at Port Arthur and Fort William at the present time. The grain that went from the port of Vancouver went from a port where there is no sample market and no mixing privileges. It was actually sold on sample. That is, after it reached Liverpool the grain was seen and its value was such that it brought five cents a bushel more than if it had been bought on grade. In that case there were no mixing privileges; it was grain that had left the farmer's wagon in its pure state.

Mr. MANION: I understand my hon. friend's point. I am not, however, thoroughly familiar with the question so I do not advance my opinion very strongly. I do not know that a sample market would necessarily imply mixing privileges. It is true that mixing is carried on at the head of the lakes at the present time, but mixing is done by the private elevators. It is not supposed to be done, according to law, at the terminal elevators. That is, not according to the Canada Grain

Act. I am quite certain I am right in this statement that the terminal elevators are not supposed to do any mixing whatever; whatever mixing is done is done at the private elevators. My hon. friend spoke of wheat which became damp and the grade of which was in consequence lowered. They buy wheat such as my hon. friend spoke of and dry it, and at the same time buy other low grades of wheat affected by damp or other cause. Then they hospitalize this grain and by drying, cleaning, and various other treatments the wheat is improved and put into a very much better grade. There is no doubt in my mind that so far as these mixing elevators go they afford an opportunity to the farmer who has low grade wheat.

Mr. MILLAR: Most of the damp grain that goes into the mixing elevator is not dried but is simply mixed with dry grain.

Mr. MANION: I was not aware of that. At any rate the grades are raised, and what I was about to say in finishing my sentence was this: According to a statement of the grain trade, and I rather think it is correct, these mixing elevators are a great advantage to the farmers in that they often give a market for grain from the west which is either damp or of very low grade owing to bad sorts of seed, and other causes. In this way the low grade wheat is given a market which it could not obtain otherwise.

Mr. MILLAR: There is a market for a small quantity of "off grade" grain, but about 80 per cent of our crop is of the higher grade, one, two and three.

Mr. MANION: There is a market for the "off grade" grain, as my hon. friend expresses it owing to these hospital elevators that otherwise the farmers might not have.

Mr. MILLAR: At the cost of the higher grades.

Mr. MANION: I do not quite see that point.

Mr. MILLAR: There is a gain on 22 per cent as against a loss on 78 or 80 per cent.

Mr. MANION: My hon. friend means that low grade grain is mixed with higher grade grain?

Mr. MILLAR: Yes.

Mr. MANION: On some occasions no doubt that is done. However, I think I am right in saying that if certain low grades are subjected to these processes of improvement—I have no knowledge of the matter, I am only speaking on the question because it came up—there is a market for them which otherwise would not exist at all. It is proved that they take good grain at the same time and mix it, but they do take off the hands of the farmer a grade of grain that he would not otherwise be able to get rid of.

Mr. MILLAR: What authority has the hon. member for saying that he would have no market for that grain? Was all this grain not sold before the mixing elevators were established?

Mr. MANION: Oh, yes. Perhaps I should not have used that expression. It might be sold for feed, but the farmer would not have as good a market. These private elevators compete with each other in the purchase of the grain, and the farmer has a better opportunity than he has had in the past to unload the grain into elevators of that kind. I do not say he gets all he should get, nor did he in the past get all he should get out of the terminal elevators. I think the farmer has been in the unfortunate position of dealing to a great extent individually, and has made a great many losses which he probably should not have made, and that the improvement in the Canada Grain Act will gradually eliminate those losses. So far as I am concerned, though I live in a district where we have the greatest grain elevator centre in the world, I am willing to support any legislation that will improve the chances of the farmer to get more out of his grain than he has obtained in the past. I believe many elevator companies did receive—quite legitimately, because of the looseness of the act—more profit out of the handling of the grain than probably they should. I think possibly my hon. friends to my left are a little inclined—and I only say this in the kindest spirit in the world—to criticise. I am referring to some of the hospital elevators at the head of the lakes, and in the case of these hospital elevators, it would be better if possible to enact legislation under which we could improve them, so that the farmer could gain even more than he gains to-day, because I think to a certain extent he does not get all he should out of the elevators at the present time.

Mr. GOULD: Does my hon. friend recollect the Price Waterhouse report which was brought down to this House a few years ago? I believe he was a member of the House at the time. On that occasion he did not show any interest in regard to bringing down legislation which would benefit the farmer.

Mr. MANION: I took no part at all. I certainly opposed no legislation brought in for the good of the farmer. I do not think my hon. friend has a right to make such an insinuation. He implies that I opposed legislation for the good of the farmer.

Mr. GOULD: It was not my intention to impute such a motive to the hon. member. I say the hon. member was a member of the government at the time the Price Waterhouse report was made.

Mr. MANION: I was not a member of the government.

Mr. GOULD: My hon. friend was not a minister but a member of the party in power at that time.

Mr. MANION: My hon. friend was a member also at that time.

Mr. GOULD: No.

Mr. MANION: My hon. friend came in at a by-election a little while after I came in.

Mr. GOULD: I came into the House in 1920. The Price Waterhouse report was presented to the House at the time the hon. gentleman was in parliament supporting the then government. His interest was not in evidence at that time, and that was the time in my humble opinion that legislation should have been brought down which would have resulted in many benefits to the farmer. That report was almost suppressed.

Mr. MANION: No, not suppressed. I remember distinctly the Price Waterhouse report being thoroughly aired on the floor of this House. I do not remember when that report came in, but I remember it being fully discussed. So far as my having anything to do with the legislation which was enacted at that time, I may say that I came into the House in the year 1917, and I think the report was presented about 1917 or 1918, just before or just after I came here, and naturally being a new member, I could hardly be expected to bring forward legislation, especially when I was not a member of the government, but at no time in my life have I ever opposed legislation for the benefit of the farmer,—except it be free trade.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I knew that would bring a little applause from my hon. friends. I should like to point out to my hon. friend from Assiniboia (Mr. Gould) that the government of my right hon. leader, and the government which preceded that government did bring in legislation and improved, to my mind, the working of the Canada Grain Act to a great extent. It is because of the Price Waterhouse report that at the present time the overages are not allowed to the grain elevators as they were allowed in the past. Would my hon. friend tell me what government introduced the legislation to change the overages? Was it not the government which I supported at that time?

Mr. GOULD: What government was it?

Mr. MANION: Was it not the government that I had been supporting?

Mr. GOULD: I am willing to accede to that statement, but I wish to point out that the amendment to the Grain Act was put through by order in council, not introduced and discussed on the floor of the House.

Mr. MANION: If that amendment was good legislation, surely my hon. friend will not criticise it because it was brought in by order in council?

Mr. GOULD: If my hon. friend will study the figures revealed in the Price Waterhouse report and compare the faulty amount of legislation which he says was beneficial to the farmer, I am sure his impartial mind will agree that the farmers were not given the legislation which was warranted by the Price Waterhouse report.

Mr. MANION: I do not say that all the legislation which might have been introduced was brought in, because the Canada Grain Act was only put into force a few years ago, and it will be improved until it is perfect, but I think my hon. friend will be good enough to admit that if the legislation which improved the Grain Act and permitted the farmers to get more out of the overages was enacted by the government I supported, he should withdraw his suggestion that I did not support legislation which was beneficial to the farmer.

Mr. GOULD: My hon. friend is labouring under a delusion when he makes the statement that the farmers received more out of the overages. In so far as the legislation was concerned in covering the matter of overages, those overages go to consolidated revenue and do not go to the farmer.

Mr. MANION: If the grain elevators received less the farmers would receive more.

Mr. GOULD: No.

Mr. MANION: This $4,500,000 will go back to the hands of the farmers.

Mr. GOULD: I am referring to the legislation brought down by the government of

the day in connection with overages that my hon. friend spoke of. I reiterate the statement that all the legislation simply provided for taking away the overages from the farmers and putting the amount to the credit of the consolidated revenue, and the farmers did not receive any benefits from it. We argue that the overages have been wrongfully taken away.

Mr. MANION: I agree with that but whatever legislation was brought in to do away with the overages was introduced by my right hon. leader (Mr. Meighen), and the government which preceded him. May I add, there will be no better opportunity than that which has been presented since 1921 for the government which he supports, indeed which his group controls to bring in legislation which will be beneficial to the farmers. However, instead of criticising the legislation of the past, let him get busy, and let him be as quick to criticise the other side of the House as he is to criticise hon. members who sit in this corner of the House. I will support him in any legislation he brings in for the good of the farmers.

Mr. MILLAR: I wish to state that I do not object—and I think those sitting in this corner of the House agree with me—to the hospital elevator. They look upon it as a necessity, but once you differentiate between the hospital elevator and the mixing elevator, the process is entirely different.

Mr. MANION: The two classes of elevators are to a great extent the same. I think the hospital and mixing elevators are combined.

Mr. COOTE: For the edification of some members of the committee, I would like to bring to the attention of the committee, and particularly to the attention of the genial member for Fort William and Rainy River (Mr. Manion), some of the operations of the Davidson and Smith elevator for the years 1921-1922. First I want to point out that there is a distinct difference between a hospital elevator and a private terminal elevator.

Mr. MANION: I know that.

Mr. COOTE: And a public terminal elevator.

Mr. MANION: I know that also.

Mr. COOTE: The figures I am going to quote are the result of the operations of private terminal elevators for the year 1921-22, by these gentlemen, Davidson and Smith. They take in to the elevator a great many different grades of grain. I would not want to weary the House by giving all the different grades they take in but I have compiled this statement and limited the number of grades to eight. They took in eight different grades of grain, and I will give the committee the total amount of each grade they took in. Some of the grades were as follows: Straight grade grain; feed grain; tough grain; damp grain and rejected grain.

They took in all these grades, and I have here the figures of the different grades, 1, 2, 3, 4, 5, 6, feed and no grade. I will first give the receipts and then the outgo of the elevator and the hon. member for Fort William and Rainy River (Mr. Manion) will, I hope, note the splendid business ability displayed by Davidson and Smith in the operation of this mixing house, which they call a private terminal elevator. As an hon. gentleman suggests, they made good in this case. The following is the statement of receipts and output:

——	No. 1	No. 2	No. 3	No. 4	No. 5	No. 6	Feed	No grade
Receipts	1,050,911	1,038,576	4,618,623	1,932,706	970,041	238,424	60,604	68,694
Output	1,327,066	3,409,543	3,780,926	1,320,770 77,295	131,044	None	None	None
Overages	276,155	2,370,967						
Shortages			837,697	534,641	838,997	238,424	60,604	68,694

Shortages	2,579,057
Overages	2,647,122
Overage	68,065
	68,045

Summing up all these shortages—I have not the total receipts—the total is 2,579,057 bushels. The overages in No. 1 and 2, which were the only grades in which they had any overage, totalled 2,647,122, leaving a total overage for this elevator of 68,065 bushels.

Mr. MANION: That was the total overage?

Mr. COOTE: That was the total excess of overage over shortage. I am referring to No. 1 and No. 2.

Mr. MANION: I thought it was more than that; I merely wanted to help my hon. friend out.

Mr. COOTE: This is in excess over all shortages.

Mr. MANION: The hon. member has a lot of figures before him. Can he give us the overages for the Grain Growers' Grain Company for the same year, or for any other elevator or any of the other co-operative elevators? I ask the question quite candidly because I think my hon. friend will find that the overages during the same years were pretty much in the same proportion in the case of the other concerns. My hon. friend from Assiniboia (Mr. Gould), I notice, has returned with the Price Waterhouse report which he rushed upstairs to get; no doubt he will be able to enlighten the committee on this matter. I remember seeing that report myself and I could not pick and choose very much; I thought that the government elevators, the Grain Growers' elevators, the elevators of Davidson and Smith, and others were all about fifty-fifty in this respect. I shall be glad if the hon. member will tell us what the Grain Growers' overages were.

Mr. COOTE: I have the Price Waterhouse report myself, and if it were not that it would weary the committee I should not hesitate to quote from it.

Mr. MANION: Go ahead; we will wait.

Mr. COOTE: The figures I am quoting are not from the Price Waterhouse report; they are figures for the year 1921 and the Price Waterhouse report was made in June, 1918. I made a note of these figures over a year ago, when I knew nothing whatever about Davidson and Smith, and they will be found in the report of the proceedings of the special committee which was appointed to inquire into agricultural conditions last year. I took the trouble to compile reports of one or two of the elevators mentioned in that report, and this is the one which in my opinion showed the most glaring example of overages in the high grades and shortages in all the others. This was the very worst case in the whole report and that is why I took it. At that time, I say, I knew nothing more about Davidson and Smith than I knew of any other firm. I am opposed to private terminal elevators and I want to impress that fact on the minister. There is no doubt in the world that they raised feed wheat at least up to No. 5, because they shipped nothing lower. They must have raised a great quantity of No. 4 and No. 5 up to No. 21 and I do not think this should be permitted. In the end, this practice of mixing must certainly result in a lowering of the standard of grain shipped out and consequently in a lowering of the price. I want to say just a word or two in regard to the Price Waterhouse report. As I said before, it was made in June, 1918 and I do not think it was ever published. The government of the day did not see fit to publish it. Possibly not one of those gentlemen who were in the House at the time asked that the report be published, and therefore they must all share the blame. It was unfortunate, in my opinion, that the report was not published.

Mr. MANION: The hon. member for Marquette (Mr. Crerar), as well as a number of other Progressive members from the prairies, were in the House at that time; and, as a matter of fact, the member for Marquette was a member of the government.

Mr. COOTE: I am sure my hon. friend wants to be fair; I just said a moment ago that possibly all the members of the House at that time were to blame.

Mr. MANION: I know my hon. friend said so, but I wanted to be sure that the gentlemen of my hon. friend's party shared in the responsibility.

Mr. COOTE: I can trust my hon. friend to see to that. I hope the hon. gentleman will get the report and read it, because if there is one man who ought to be interested in the success of the grain producers in Canada and in the proper operation of the elevators at Fort William, it is the hon. member for Fort William and Rainy River.

Mr. MANION: I am interested.

Mr. COOTE: As pointed out by the hon. member for Qu'Appelle (Mr. Millar), or at least one may draw the inference from his remarks, the grain trade may possibly be diverted from Fort William and Port Nelson and directed to Vancouver if these mixing elevators are allowed to carry on at Fort William, while they are excluded from Vancouver. I want to point out to my hon. friend that there is at least one difference between

the operation of the Davidson and Smith elevator and that of the United Grain Growers', or any other farmers' company, in that there are thirty or forty thousand shareholders in the United Grain Growers' Company who get some benefit from the business.

Mr. ROSS (Kingston): Is it a virtue because there are more profits distributed?

Mr. COOTE: If a profit is made out of shipping grain surely it should come to the men who own the grain. Will the minister tell us in this connection how many public terminal elevators at Fort William have been turned into private elevators during the last six or seven years?

Mr. LOW: I would first point out to hon. members opposite that the subject which has occupied the last hour and a half is being investigated by the Royal Grain Commission, and that an interim report will probably be placed upon the Table within the next few days.

Mr. MEIGHEN: Does not the minister think we can finish the subject before the Royal Grain Commission is likely to?

Mr. LOW: Well, if the Royal Grain Commission were travelling all over the world, like some commissions appointed by my right hon friend, I do not think it would be well for us to wait for the report.

Mr. MEIGHEN: I think they hold the world's marathon record now by quite a distance.

Mr. LOW: I do not agree with my right hon. friend. I recall a commission appointed by him and an injunction had to be obtained from the courts to get the members stopped.

Mr. MEIGHEN: That is when the grain companies did the suppressing which was in the mind of the hon. member for Assiniboia (Mr. Gould). But that commission did not last more than a tenth of the time which this Royal Grain Commission is taking. Is it a fixture? Are we going to provide annual salaries for its members?

Mr. LOW: It is making a real investigation,—

Mr. MEIGHEN: It must be.

Mr. LOW:—and we hope to derive some real benefit from the report to be presented to this House.

Mr. MEIGHEN: Can we not investigate the commission to see what is wrong?

[Mr. Coote.]

Mr. LOW: The Vancouver matter is being investigated by the Royal Grain Commission. I might point out to my hon. friend from Qu'Appelle (Mr. Millar) that government elevators are not permitted to do any mixing; that grades Nos. 1, 2 and 3 are fixed by the Canada Grain Act, and that grades 4, 5 and 6 are fixed by the Board of Standards. From various sections of the prairie provinces a number of bags of grain are received, a sample is taken from each, these samples are mixed together, and grades Nos. 4, 5 and 6 are determined for that particular year.

Now a word in reply to my friend's reference to Dr. Birchard. We have no desire to curtail any expenditure that will be for the benefit of the farmers of the prairie provinces. As an eastern manufacturer, I realize that we must do something to make the western farmer more prosperous than he is to-day, and so increase his buying power. I am one of those who believe that our interests are bound up together, that what is good for the eastern manufacturer will be good for the western farmer, and vice versa. I think Dr. Birchard was appointed in 1913, and since that time we have spent $118,000 in connection with his work. The government does not regret that expenditure, but believe that it is possible to carry on the work in a more efficient way so as to produce greater results. We have no desire to discontinue the work if it is found necessary and advantageous. I have no doubt that when the Royal Grain Commission reports it will say something about the office at Winnipeg. We are carrying on a number of experiments to-day through the Research Council. We are just entering upon a more rapid development of research work in connection with the rust problem; we are carrying on special research on the winter killing of wheat under Dr. Newton; under Dr. Snell a research on the cause and treatment of soil acidity in Quebec and the Maritime provinces; another on the relation of soil acidity to nitrogen-fixing bacteria, under Dr. Harrison; and we have appointed a committee of agriculturists under the chairmanship of Dr. Grisdale, the Deputy Minister of Agriculture, to ascertain the best methods for determining accurate results in testing varieties, strains and treatments of grains. This will establish the fact that we are not cutting down expenditure; we are simply seeking to spend the money more advantageously. I can assure hon. gentlemen that if there is a surplus, and if we can see our way clear towards making a reduction in the inspection or any other charges, I shall be only too glad to recommend such reduction to the government.

Mr. MANION: With regard to the remarks of my hon. friend from Macleod (Mr. Coote), I wish to put a few figures on record. He was good enough to lend me the Price Waterhouse report which he had in his hand. He pointed out that the Davidson and Smith elevator, which was reflected upon by the member for Qu'Appelle had overages and he gave figures for the year of about 68,000 bushels. Is that correct?

Mr. COOTE: Yes.

Mr. MANION: I am going to read the overages for a number of years of the Grain Growers' Company, a co-operative elevator company, handled by farmers on behalf of farmers, and having at its head the hon. member for Marquette (Mr. Crerar).

Mr. COOTE: I was quoting those figures to show how they had raised the grade, and I hope if the hon. member quotes the overages he will quote them all.

Mr. LEADER: I move that this whole report be embodied in Hansard, to facilitate the proceedings.

Mr. MANION: It is rather too large to incorporate in Hansard, consisting of over 100 pages, but if my hon. friend will have patience I will give the overages to which I have referred. I understood the quotation of my hon. friend from Macleod, but after the discussion by my hon. friend from Qu'Appelle of the Davidson and Smith elevator, his quoting these overages looked suspiciously like showing a reason for Davidson and Smith being suspected. That was my conclusion from his remarks.

An hon. MEMBER: They advance the grades.

Mr. MANION: Well, it does not matter whether they did or not. If they had not advanced the grades they could not have had any overages. Now, these are the overages—

Mr. SALES: They did not get the overages. It is a matter of grades.

Mr. MANION: Please remember the overages of the Davidson and Smith Company in 1913, according to the hon. member for Macleod, amounted to about 68,000 bushels.

Mr. MORRISON: Can my hon. friend say how many bushels the Davidson and Smith Company handled?

Mr. MANION: I do not know that. If my hon. friends will just have a little patience I will get this line read. The report says:

> The Grain Growers' Grain Company had overages in 1912-13 of 67,875 bushels.

That is within 125 bushels of the Davidson and Smith figure for the year to which my hon. friend referred.

Mr. EVANS: Are the figures the same on the grain they handled?

Mr. MANION: I do not know that; I have not the figures at hand. They were both terminal elevators. I am simply giving the overages. The Davidson and Smith people may have handled much more, I do not know. In the following year, 1913-14, the Grain Growers' overage was 33,360 bushels; there was not quite so much profit that year. The following year, 1914-15, the overage was 54,758 bushels, and they were improving, because the following year, 1915-16, it amounted to 105,699 bushels, nearly double what the overage of the Davidson and Smith people was. In the following year, 1916-17, their overage was 156,901 bushels, nearly three times the overage of Davidson and Smith, so they could have handled three times as much grain and still have been in the same proportion as the Davidson and Smith people.

Mr. CAMPBELL: May I ask my hon. friend—

Mr. MANION: Now, just a moment; I will give my hon. friend the floor in a minute and I will quit for the rest of the evening when I am through. I do not want to be understood as opposing any legislation that is favourable to my hon. friends. But I believe in fair play, and when the hon. member for Qu'Appelle made his implied suggestion about Davidson and Smith and the hon. member for Macleod (Mr. Coote) gave his overages I remembered this report: I remembered glancing over it at the time and noticing that nearly all the elevators had overages, some even much higher than—

Mr. COOTE: Does the hon. member realize that the overages I quoted with respect to Davidson and Smith were all of No. 1 and No. 2 wheat and that all the shortages I quoted were of lower grades, 3, 4, 5, and 6?

Mr. MANION: What was the year of the Davidson and Smith overages that my hon. friend gave?

Mr. COOTE: 1921-22.

Mr. MANION: What was the price of grain at that time? It had gone down considerably, had it not, in 1921-22? I think it would take about three bushels of overages in 1921-22 to equal one bushel in 1916-17, when the Grain Growers' had their largest overages. However, I do not wish to debate this question. I just wish to be fair to Davidson and Smith and to show my hon. friends that their

own Grain Growers' Grain Company had greater overages in one elevator than the Davidson and Smith Company had. I repeat that I am entirely in favour, as the minister said a moment ago about himself, of doing everything possible to help the prairie farmers, with the exception of ruining some other section of the country in order to help them—that I am not in favour of. But I am in favour of any other legislation that will help them in any possible way, because I think the progress and prosperity of Canada depends very largely on the progress and prosperity of the Canadian grain growers.

Mr. GOULD: The hon. member (Mr. Manion) stated that I had gone to get the Price Waterhouse report. I feel that I must accept the invitation, because that is what I did. I am sorry that as much use was not made of that report on the floor of this House on former occasions as was made this evening; otherwise we might have had better legislation. Certainly we deserved much better legislation than we have as a result of the report. The fact is that this report, brought down in 1918, was so ill legislated upon that it became necessary to appoint another commission, which is working at the present time. I propose to ask the indulgence of the committee while I place upon Hansard some proofs at least of the genius of these companies. I have no apologies to make for any of the grain companies in the investigations I have made, and I have made some. I am not prepared to say that any company doing business at Fort William is possessed of greater virtues than any other; I believe I am absolutely correct and unbiased in stating that one is just as bad as the other, and worse—something of that nature.

The Price Waterhouse report is an audit of the books of the terminal elevator companies from 1912 to 1917 inclusive, and it reveals that these companies were making, through their screenings, overages and various other things, in some cases as high as 50.65 per cent, 41.70 per cent, 35.27 per cent. These are common figures as showing the profits these companies were making, and if anyone outside of the companies themselves will justify the taking of these profits at the head of the lakes or anywhere else, then he is not the friend of the man who is producing the grain. It was on account of these exorbitant profits that the government appointed a commission of investigation, and I am sorry to be obliged to relate that the government after having that report and the figures which I now present, did not bring down legislation to remedy the evils which caused them to appoint the commission.

I will give the names of the companies that were investigated at that time. First, there was the Consolidated, who gave the original cost of their elevator as $594,081. They put in the plea to justify the huge dividends they were getting that the present valuation should be set at $922,102. You see, they increased the valuation so that it might be a justification for, in a manner, reducing what they considered their profit. It is also revealed in this report that these companies in all the years of their existence had not written off one dollar's worth of depreciation, and some of them had existed so long that had they written off the natural depreciation their plants would have been wiped out—that is, the expense of their plants. But in spite of that, they increased the valuation, as I have stated.

Next is the Empire, who gave the cost, including land, at $556,611 and put in the present valuation as $858,256. The Thunder Bay Company, whose original cost was $532,383 put in a valuation of $743,331. The Fort William Elevator Company gave an original cost of $651,069 and a present valuation of $979,011. The Ogilvy Company put in their original cost at $554,823 and the present valuation they stated to be $958,100. The Western Terminal Company gave original cost as $722,737 and raised their valuation to $1,235,848. The Canadian Government gave their original cost as $1,315,767 and raised their valuation to $2,105,228.

Observe, the governments did exactly what the private companies were doing. For the C.N.R. "A" and "B" the cost was approximately $1,961,000, and they raised the valuation to $2,925,135. The original cost of the Grand Trunk Pacific elevator was $1,949,437, and the present valuation which they submitted is $2,625,925.

Now, Mr. Chairman, as I stated before, these companies when requested to show cause why they were taking these huge profits from the growers of grain gave as a reason the valuation of their sites, and they mentioned that the land had been included. I find by the Price Waterhouse report that the land on which the elevators were built was in the majority of cases given to the companies; there was sometimes an absolutely free gift of land; the land was exempt from taxation in many cases, and in all the other cases only a nominal price was paid by the companies for the elevator sites. Now, when it was made plain that the elevator companies had wilfully increased the valuations, as I have shown by this table, they give another table showing the reproductive value,

which is a little higher value than that represented here. Price Waterhouse and Company investigated that table and compared it with the assessed values in the cities of Fort William and Port Arthur, and it was found that the valuations which the companies submitted in that table were, in some cases, from 2½ to 3 times more than the valuation upon which they were assessed. I mention that as an example of the ingeniousness of the companies, and to show how necessary it is for the minister to have legislation to circumscribe these people so that they may no longer be a law unto themselves, but shall give to the people who produce this grain justice and what is their right.

I believe that I stated in the House on a former occasion that we, as taxpayers, provide the dredges to dredge the channels all along the waterfront where these elevators are built, and yet, whenever the government of Canada sends a dredge there the elevators add the cost to the valuation of their plant. These people have no right whatsoever, to add that valuation to their plant, and the minister and the government are absolutely warranted in enacting legislation to circumscribe these people. I am not asking for legislation at the present time, but I have been interested in asking that the report of the Royal Grain Inquiry Commission be tabled, and when that is done I hope we shall have a very interesting time, and I hope the Progressives in this House will assert themselves on that occasion and will endeavour to have placed on the statute book a law in regard to the grain trade that will do justice to the people who produce the grain and who make the wealth of this country.

Mr. LEADER: Will the hon. member also give the overage figures for the government elevators, as given in that report of Price Waterhouse and Company?

Mr. GOULD: The report does not give the overages for the government elevators. It covers 14 terminal elevators. Now we have 25 terminal elevators doing business at Fort William and Port Arthur. The report of the special committee on agricultural conditions last year is much broader in scope than the report of Price Waterhouse and Company.

Mr. HOEY: Does not the hon. member think that if the wheat pool that is at present being organized is successful, it will eliminate in the process of time these evils he speaks of far more effectively than any legislation could do?

Mr. GOULD: I believe that to be a fact. Without being egotistical, I might say that I made a similar statement when I gave evidence before the Royal Grain Inquiry Commission in Winnipeg, and I went so far as to say on that occasion that if the government did not circumscribe the manner in which these elevators were taking undue profits from us, we had already built elevators once, and we were strong enough to build them again and handle the whole thing ourselves.

Mr. GARDINER: I would like to return to the situation in Vancouver for a few moments, and draw the attention of the minister to a question that I believe requires his attention. He will remember that some time ago the Harbour Board bought what is known as the Woodward elevator in Vancouver, and they proposed to spend $650,000 in completing that elevator. They have rented it to a grain company known as the Oriental Grain Company, composed of Edmonton men, and I understand that this particular company proposes to go into the mixing business, just the same as is done by the elevators at the head of the lakes. I would like to ask the minister whether that elevator will be controlled by the Harbour Board, or will come under the Board of Grain Commissioners for Canada.

Mr. LOW: The leasing of the elevator, of course, will come under the Department of Marine and Fisheries. The inspection and weighing will be under the Department of Trade and Commerce.

Mr. GARDINER: Then I take it there is no intention at all of placing this mixing elevator under the Board of Grain Commissioners?

Mr. LOW: Not so far as inspection and weighing is concerned. The operation of the elevator will be under the Harbour Commission. I was not aware that the elevator had been leased until my hon. friend mentioned it; this is the first intimation I have had of it.

Mr. GARDINER: There is another question I would like to bring to the attention of the minister, and this has to do with the inspection and weighing department. I hold in my hand some information furnished by the Board of Grain Commissioners for Canada to the special committee appointed to inquire into agricultural conditions at the last session of the House. I turn to page 926 of the report to illustrate to the minister just exactly what I mean. This had to do with

the mixing elevator, the private terminal elevator of Davidson and Smith Company at Fort William, in the year 1917-1918. I dealt partially with this question during the budget debate, but I want to deal with it further to-night because it has to do with the inspection and weighing department over which he has control. On this side of the page are shown the different grades that go in. There are 48 different grades shown as going in there, and inspected by the inspection department. On the other side is shown the number of grades that go out, and this shows that only 5 grades went out of that elevator, although 48 grades went in. This inspection department is under the minister's control, and I therefore hope that he will take cognizance of this important matter.

Then referring to the weighing department, when this grain was weighed in I find that 704,283 bushels and 50 pounds was weighed in. When it was weighed out it amounted to 831,000 bushels, or a difference in weight of 126,716 bushels and 10 pounds. If the members of this committee will turn up the Auditor General's report they will find that the farmers of western Canada pay all the expenses of the Board of Grain Commissioners which includes the salaries for the weighing and inspection department. As we are paying the salaries of these gentlemen naturally we would expect to get a fair deal. But when I bring these facts to the attention of the minister he will realize that the farmers of western Canada are not getting fair treatment from these men whose salaries they pay. I should therefore like to ask the minister what he proposes to do under these conditions?

Mr. LOW: I have only been in charge of the department for about eight or nine months, but I hope to be able to work out some plan which will remedy the evils of which my hon. friend complains.

Mr. MILLAR: Is the minister's decision final in regard to the elevators at the coast operating directly under the Trade and Commerce department rather than under the Board of Grain Commissioners, or is that course being taken only for the time being and until the report of the Grain Inquiry Commission has been received?

Mr. FORKE: The Department of Marine and Fisheries.

Mr. MILLAR: No, I am referring to the inspection and weighing. This is a matter of vital importance.

[Mr. Gardiner.]

Mr. LOW: The whole matter will be reviewed when we receive the full report of the Royal Grain Inquiry Commission.

Mr. CAMPBELL: For the information of the hon. member (Mr. Manion) who asked a question a few moments ago I should like to quote the statement from the Price Waterhouse report that the Canadian government elevator in the season of 1916-17 had overages to the value of $326,187. I may say for the same year the Canadian government would appear to have earned a profit of 36.72 per cent.

Sir HENRY DRAYTON: Before the item is carried I may say that I do not notice any vote in the minister's estimates this year in connection with the lake rates.

Mr. GRAHAM: That matter will be dealt with by legislation.

Sir HENRY DRAYTON: If this vote were in the department of my hon. friend the Minister of Railways I would take his word for it, but there is nothing here about lake rates.

Mr. LOW: If my hon. friend examines item 383 he will find the amount there.

Sir HENRY DRAYTON: That is for the administration of the Inland Water Freight Rates Act.

Mr LOW: Yes.

Sir HENRY DRAYTON: That is not what I was looking for. I was looking for an item which would rather make it appear that the government were going to try and do something to undo the present tangle. Is nothing to be done? Is the mess to remain just as it is? Is there no proposition, for example, to return, in some way or other to the farmers of western Canada the extra freight rates paid in September and October of last year. amounting to $3,000,000, on the grain actually moved? Is there no step to be taken in that direction?

Mr. LOW: My hon. friend could not have been in the House a few days ago when I made the statement that an amendment would be made to the act relating to lake freight rates some time during the session. With reference to the complaint of my hon. friend about excessive freight rates in 1923, may I point out to him that the freight rates were about the same in that year as they were in 1922.

Sir HENRY DRAYTON: I do not think my hon. friend has got the point at all. The question of lake freight rates depends upon the amount of bottoms available, the demand for space, and the like. When we deal with

the question of freight rates we know that the normal rate from Duluth to Buffalo and the normal rate from Fort William to Buffalo is the same—I do not think any one will dispute that. But as a result of the legislation of last year we also know that it was not till October that the government made a most humiliating show of themselves in backing down and giving in to every demand made by the American vessel owner. We know it was not until that time, some time in October, that American boats were looking after the business. Now, the actual figures as I have them, my hon. friend will correct me if I am wrong, show that the Duluth to Buffalo rate last September was 2½ cents and reached as high as 2¾ cents a bushel. The Fort William rate in September, instead of being the same as the Duluth to Buffalo rate, was 5 cents a bushel—it worked up to 5—and in October rose to 6½ cents a bushel, while the Duluth to Buffalo rate had only worked up in the meantime to 3 cents a bushel. The latter was much less than half the rate out of Fort William although before we had this precious legislation the Duluth to Buffalo rate was practically the same as the Fort William to Buffalo rate. Everybody knows the reason for this. At first the American boats would not come in. Everybody knows the capitulation that subsequently took place, and the rates came down as the result of the American boat competition. During September and October Canadian grain was carried at an increase of about 2½ cents a bushel over the Duluth to Buffalo rate. Of necessity a very large part of the November shipment moved at the advanced contracts made for space during September and October when the rates were at the high ratio I have mentioned. Consequently there was also a substantial loss to the Canadian grain grower in connection with November shipments in so far as previous contracts were concerned. In September we shipped from the head of the lakes 19,114,671 bushels of wheat. Of other grains we shipped 3,729,526 bushels. In October we shipped with our rate at 5½ and 6 cents a bushel as against a Duluth to Buffalo rate of 2¾ to 3 cents a bushel. In that month we shipped 52,981,781 bushels, and of other grains 7,020,312 bushels. In November we shipped seventy-seven odd million bushels. In November the general price came down again. We had the condition which we ought to have had in both September and October. We had the American boats competing for space, and prices came down, but a very large amount of that movement of over 77 million bushels was covered by contracts already let on the higher basis. Now if we assume that a comparatively small proportion of that movement at least is not affected by adverse contract, but on the exact rates just as they exist, we have a loss of over two and a half million dollars, all as a result of legislation of this House brought down by this government and for which this government is absolutely responsible. What is the proposition? The loss occurred entirely as a result of the government's action. What is the government going to do to make good the loss?

Mr. CAMPBELL: I agree with the ex-Minister of Finance (Sir Henry Drayton) regarding the seriousness of the situation, but not in regard to the remedy. I do not think he will agree with me that the way to remedy the situation is by a repeal of the coastal laws, but that is the only way it can be dealt with. We find that at the present time, while the distance from the Canadian head of the lakes to Buffalo is much greater than it is to bay ports, the grain is being carried by Canadian as well as American vessels to Buffalo at from one-half to one cent a bushel less than to bay ports. There is only one reason for this, and that is because there is competition. The American boats, on account of the coastal laws, are unable to carry the grain between different Canadian ports. Canadian boats, in order to get some of the trade, are willing to carry our grain into the American ports for considerably less than they are willing to carry it to Canadian ports. I have some figures furnished by the Bureau of Statistics showing the amount of grain shipped from the head of the lakes up to the end of the 31st of May. The amount is seventy-six and a half million bushels, and about half or a little over half of that went to American ports. I am quite sure that if there had been no coastal laws in effect and if the American boats had been able to ply between the head of the lakes and Georgian bay ports, the same as Canadian vessels, a very much larger volume of grain would be handled in Canadian ports over our Canadian railways, and would go out to the sea without being contaminated as a great deal of our grain is, by going through American sources at the present time. The seriousness of the situation last fall is indicated by a quotation from a telegram sent to the government by the Premier of Saskatchewan as follows:

> The government of Saskatchewan believe that the federal government is justified in taking the strongest possible measures to stop the profiteering operations of these international pirates.

That is very strong language, and I do not agree that the legislation of the past year was responsible for the trouble. If you want to deal with the situation, by getting rid of the coastal laws we can do away with a great deal of the trouble and the traffic between the head of the lakes and Canadian ports will be greatly improved. I know that the argument is used that in carrying grain to Buffalo, vessels have a return cargo of coal. I interviewed some of the officials of the Bureau of Statistics, and I find that there is a very small volume of coal, or of any other commodity coming back from Buffalo at the present time. So that it means that any vessel loading at Port Arthur for American ports is basing the rates on the assumption that the vessel will come back empty. They are not basing the rates on any return cargo, because they have no assurance that they will get any such return cargo.

Mr. McBRIDE: I contend that this discussion is entirely out of order. The freight rate question comes under another item altogether, item 383.

The CHAIRMAN: I agree with the hon. member for Cariboo (Mr. McBride) that the discussion is altogether outside the item.

Sir HENRY DRAYTON: Before you rule, Mr. Chairman, I desire to make one observation. The administration of the freight rates, as is shown by the precious list that we find contained in a report of the carriage of freight on the Great Lakes, is shown to be entirely in the hands of the Grain Commission, and this is the view of the Grain Commission, who apparently are looking for this business. My hon. friend said he would sooner have this matter discussed under another item.

Mr. LOW: I have no objection to the matter being discussed now under the present item.

Sir HENRY DRAYTON: I do not want to have it said when we reach another item that we cannot discuss this question.

Mr. LOW: Discuss it now. I have no objection.

Mr. CAMPBELL: I desire to emphasize the fact that this situation will never be properly cleared up until the coastal laws are repealed. What are we doing? In order to enable the lake shippers to make the profits which the Grain Commission showed they were making last year, which were enormous profits, we are depriving our own ports and our own railways, our own working men and our business men, and all the others interested, of the work of handling our own grain. Year after year one half or more than half of our grain goes out to the United States, and our principal objection in the West to this course is that the grain is being contaminated. We are not judging this merely from a national standpoint, but from the other standpoint as well. We know that the grain does not reach the Old Country in the same form in which it leaves the head of the lakes starting for American ports. I think it was in 1921 or 1922 a special committee of the Senate was appointed to inquire into the reason for the diversion of Canadian grain to American ports, and I want to emphasize one particular recommendation which this committee made, and that was that the rates over the Transcontinental to the city of Quebec should be reduced to the level of the prevailing rates in the West. We have almost a double rate from the head of the lakes to Quebec over the Transcontinental. I believe the regular prevailing rates in the prairies applied on the Transcontinental to the city of Quebec would make a basic rate, a maximum rate, and that it would keep these lake shippers to a large extent under control.

Mr. SALES: Mention has been made of why Canadian grain goes through American channels. There are various reasons. I have found one, and I think the people of the country should know it.

The hon. member for Qu'Appelle (Mr. Millar) stated in his remarks that Baltimore was trying to get back its reputation. I am going to read a letter which has been submitted to the Royal Grain Commission from a grain handling firm in Baltimore, which was received by the New York offices of the James Stewart Export Company, a subsidiary firm of the Saskatchewan Co-operative Elevator Company. The letter says:

> As some of our clients have made inquiries as to the proportions of Manitoba wheat which could be used in mixtures for federal inspection of No. 1 dark northern spring wheat,—

That is an American grade.

> —we are passing along to you the requirements as at present laid down by our inspectors.
>
> Mixtures can be made on the following basis: first, equal parts of No. 2 Manitoba and No. 4 Manitoba; second, two parts of No. 3 Manitoba with one part of No. 4 Manitoba; third, 30 per cent of No. 2 Manitoba; and 30 per cent of No. 3 Manitoba; with 40 per cent of No. 4 Manitoba.

This will make No. 1 dark northern, which will be passed by the federal inspector in the United States.

> Inspection and weighing charges of about 35 cents per 1,000 bushels will apply on total quantity mixed. All

the grain for mixing must be in the same elevator. We therefore request you to route your Manitoba for. . . elevator delivery here for best results or authorize us to do so.

Here is one sentence to which I would ask the committee to pay particular attention:

Any loss occasioned by mixing will be considered by the government as an in transit loss and duty would not have to be paid on same.

I should like to know exactly what that means; this is in the country where they are trying to protect the farmer, the poor deluded fool! Now I come to the question as to whether the farmer here really gets the intrinsic value of his wheat. I went to the trouble of tabulating these mixtures, and I found that in the case of the first mixture our own figure was 97 1-4 cents; No. 2 would be 96 3-4 cents, and the third mixture, 97 5-8 cents for 1 dark northern. Then I consulted a Chicago paper and got the price of No. 1 dark northern in Minneapolis and I found that the quality for which our farmer would get 97 cents was worth to the American, on May 21, $1.15 7-8 to $1.18 7-8, from 22 to 24 cents a bushel more than the Canadian farmer was getting, I began to wonder what our millers were able to do in competition with the Americans who were milling No. 1 dark northern. I am sorry I have not the price of No. 1 dark northern in the Old Country; I have written for it because I am interested to know how that wheat is valued there in comparison with our own No. 1 northern. This is the kind of thing that is going on in the United States. Is there any wonder that so much of our wheat finds its way through American channels when they take it there and pay no duty? The sooner Canada devotes its attention to the marketing of its crop through its own channels exclusively the better for Canada and for the reputation of our wheat. I do not like this sort of thing, I regret that the minister did not admit those figures of mine, because I was going to make a suggestion to him. The minister said that we might as well discuss the matter at length, and we will, if he is agreeable. The suggestion I was going to offer him was that he might earmark some of that $4,000,000 for the purpose of really assisting the western farmer.

An hon. MEMBER: By building the Hudson Bay railway.

Mr. SALES: No, let the Hudson Bay railway line alone for the present. I had the pleasure of meeting the minister on his trip out West and I am sure from the remarks he made that he is anxious to assist the western farmer; I am bound to give him credit for that intention. I do not know really where agriculture ends—take live stock, for instance—and trade and commerce begins; the two seem to me to be so similar. I want to draw the attention of the minister to one respect in which he can really assist the farmer, and that is in the marketing of cattle. At the present time under existing freight rates and ocean rates conditions are not very favourable to this phase of agriculture. I happen to know the minister has tried to do something to reduce ocean rates but he has not been successful; apparently there is no hope for a reduction of the rates on live stock, and unless some alternative method of marketing is found there is only one thing I can advise the western farmers to do in the cattle business, and that is to quit it. It costs over $60 to ship live cattle from the West to Liverpool. The Department of Agriculture has given us certain figures but they are not quite correct; it gives us carload lots from Lethbridge, Calgary, Winnipeg and such points, but I would inform the committee that the man who ships cattle from North Battleford has to pay a local freight rate to Winnipeg which is higher than the rate he pays from that point to Montreal. The hon. member for North Battleford (Mr. Davies) is here and he can bear me out in the statement that the freight rate from that point to Winnipeg is $1 per hundred pounds whereas from Winnipeg to Montreal it is 85 cents per hundred pounds. I have worked the whole thing out and I find that the freight on a 1,200 pound steer from Saskatchewan to Liverpool comes to $56.91, on a 1,300 pound animal $58.76, and on one of 1,400 pounds, $60.56. Now, when the farmer has fed a steer for three years, to say nothing of feeding the mother before it is born, and then turns that animal over to the transportation companies for three weeks, and he has to split fifty-fifty there is nothing very attractive in the process; that is a business I do not want to engage in. It is hopeless so far as the western farmer is concerned. And let us bear in mind that meat in the Old Country to-day is sold at an abnormally high price which we cannot hope to continue. The minister could therefore help both the western and the eastern farmer by assisting in the development of a chilled meat trade; I would suggest that he take a portion of the $4,000,000 for the purpose of helping to develop a market for chilled meat. It would cost only $22.07 to take an animal over, killed and in the chilled state, as against $56.91, and if the farmer could benefit by that difference of $34 it would be well worth his while. It is

true that a number of experiments have been carried on in regard to the shipping of chilled meat and in connection with this matter I have a report from the Harris Abattoir Company. They made shipments and lost money, but in my opinion they did not give the enterprise a real trial; the shipments were very spasmodic, one shipment being made this week, another shipment in three weeks' time and so forth. If the trade in this direction is to be really developed we must ship chilled meat every week of the year so that the butcher on the other side may feel assured of a regular supply on which he can absolutely depend. There is no country except the United States which is in a position to-day to ship real chilled meat to England. The Argentine is three or four weeks distant and shippers there have to send their meat across the equator; to do that they must freeze it, and there is a lot of difference between frozen meat and chilled meat. I hope the committee will excuse a personal reference, but having been in the business I know that the Englishman likes his beef 12 or 14 days old, which is just about the time it takes us to get our beef from this country to the customer in England; we can do it in 14 days. I should like to have the minister's attention if he is interested; if not I will sit down.

Mr. LOW: I am very much interested.

Mr. SALES: At the present time the United Grain Growers are carrying on a pool system of cattle shipment. I would suggest that the government guarantee the men who put their animals into the chilled meat trade the same price they would obtain if they shipped them alive to Liverpool. Nothing more than that as an experiment. On looking over the figures of the Harris Abattoir Company, I find that when they carried on the business steadily the beef was gaining in favour with the English people, but the shipments were allowed to become irregular. In spite of the fact that the company lost a lot of money, I think the committee will be interested to hear what Mr. McLean said about the experiment. These are his words:

> The losses became so heavy that we were forced to discontinue the shipments. However, an analysis of the results gives some ground for optimism. The loss on the shipments was equivalent to about one penny farthing per pound. We were convinced that the chilled beef which we shipped was worth on the British market two pence per pound and probably three pence per pound more than we actually received for it. And we were further convinced that had conditions been such as to permit continuous shipments this Canadian chilled beef would very soon have commanded a price relatively much higher than that received for our experimental shipments.

[Mr. Sales.]

He also stated, and it is absolutely true, that the British butcher was not selling this as chilled meat at all, but as English meat. It may be necessary for this country to do the same as Argentine and New Zealand,—establish a shop or two over there to sell our product and so let the people of England really know the quality of Canadian beef. I do not think objections should be raised by any member about somebody else paying for the experiment for the benefit of the farmer. As I pointed out to-night, farmers have contributed to the revenue $4,000,000—it does not matter what head the money goes under, it has gone into the treasury—and I think it would be only right and proper, especially to-day when those engaged in the cattle trade are finding themselvs in a deplorable condition, for the government to take action along this line. Surely it is worth something to the country that our farmers should not go out of the cattle business. But, as I said before, unless some relief can be found, unless rates can be brought down—and I very much doubt if they can be—the only relief is in the development of this chilled beef business.

Mr. ROSS (Kingston): Has the hon. member any figures in regard to the Australian meat shipments to England? Is not theirs chilled meat?

Mr. SALES: I would inform the hon. member that it is impossible to bring chilled beef to England from such a distance as Australia. As I stated earlier in my remarks, Canada is the only country outside the United States which can furnish the British market with real chilled beef—not frozen. It is kept at a temperature of about freezing point for ten or twelve days. It is not frozen, it is merely chilled.

Mr. ROSS (Kingston): I asked the question because I thought Australia had been sending chilled beef to the British market for twenty years.

Mr. SALES: Frozen meat, sir; a different thing altogether. Frozen meat has to be thawed out, when all the juices are lost, with the result that it is tasteless as compared with the fresh meat that the Englishman likes.

Mr. McMASTER: Does chilled beef keep its flavour?

Mr. SALES: Yes, and it does not require to be thawed out, which makes all the difference in its flavour. I am convinced that the

development of this business might possibly prove a solution towards helping our western farmers at this stage.

Sir HENRY DRAYTON: In connection with the remarks of my hon. friend (Mr. Sales), there is a good deal of difficulty in supplying the British market, the English people being strongly prejudiced against frozen beef. There is a marked difference between the price of fresh and frozen beef. I have not the exact figures before me, but I looked into the matter some years ago, and at that time there was a range from fourpence to sixpence a pound in the Smithfield market between frozen meat and fresh, as I recollect it. What the hon. gentleman has said about prices is absolutely right, in fact I do not think he has stated the difference to the full extent. Chilled beef, properly looked after, ought to command just as good a price as is paid for freshly killed British beef as soon as its quality is known. In fact it ought to get a slightly higher price, for the reason that in the Old Country meats are conditioned before they are sold—in other words, they are hung for several days, the time depending upon the state of the weather. The Englishman does not like tough beef. Our beef, if treated in the way the hon. gentleman describes, would reach the British butcher in the condition that he best likes his beef—ready for the market. Further than that, it ought to be in just as good condition as his own prime beef after he has been at the pains of hanging it perhaps a fortnight. He is saved all that cost and trouble.

My own idea was that we ought to go into the business, that the government ought to do something in connection with it. I think if the suggestion that we establish proper conditions is given effect to, and it ought to be, we would have such a condition of affairs that the Smithfield butcher would know by Dominion government certificate that the carcass he bought was killed upon such and such a day, that it was then received into a cooling warehouse and submitted to such and such a temperature, then shipped in refrigerator cars at such and such a temperature, then put into cold storage at such and such a temperature and carried across the Atlantic at a similar temperature. Hon. gentlemen may think there is a lot of red tape about this; there is not. Frozen beef is no good in the British market, that is to say, you will lose possibly as much as sixpence a pound, depending upon the amount of beef and the season of the year. Nor again is beef of much use in that market which has not been subjected to a steady temperature and properly looked after, otherwise you get chemical reactions which lay the foundation for ptomaine and other poisons. The business should not be run by guess. In order to make a success of it the English butchers ought to know that they had the stamp of the Dominion of Canada behind the product.

Mr. PELLETIER: If they know their business they will know when they see the beef.

Sir HENRY DRAYTON: They should have a better guarantee than that, and there is no reason why they should not have it. Nothing more useful could be done to assist agriculture in Canada—and it needs it—than the taking of the necessary steps in connection with the railway services, steamship services and refrigerator services. There is no reason why the Americans should have a monopoly of the sale of chilled meat on the British market. It is the best market we can get and it is a market that will stay with you when you get it. It would not take such a great deal to start it. We already have our government inspectors in the abattoirs, and it would only be necessary to see to it that we had proper services. It is necessary that there should be a continuous supply of that beef on hand. There is no use in trying it as an experiment, in a sporadic way; you have to stick to it. This government understands bookkeeping and should have no trouble in raising money to look after this matter; it really would mean so much to the country as a whole.

I do not know why my hon. friend a little further down the line objected to my remedy in connection with the high freight rates, because I did not mention any remedy. All I did was to express the hope that perhaps the government which was responsible for this situation would do something to alleviate it.

Mr. CAMPBELL: The hon. member suggested that the legislation passed by the government last year was the cause.

Sir HENRY DRAYTON: Well, we will take that; it is obvious that it was the cause. In fact, it is so obvious that it is not worth our while arguing the point. If it was not the cause, why was it that when the law was abrogated and American bottoms could come in in the ordinary way, prices came down at once? In September rates from Canadian ports were up. Usually they are the same to Buffalo—I will come to my hon. friend's other point in a minute or two—I am now talking about Buffalo deliveries in each

case. Ordinarily the Duluth rate to Buffalo is the same as the Fort William rate. In this instance, because the American bottoms would not come in, with the law as it was, the rate was 2½ cents more. In October it got up as high as 6 cents from Fort William to Buffalo as against 3 cents from Duluth to Buffalo. Now, these are the facts, and it is something that never occurred before. As to the other point that my hon. friend is mixing up with this question, there is no doubt that we have a higher rate to the Canadian ports, and I regret it as much as he does. But I regret also that the grain growers of our Canadian West when they wanted to get into Buffalo had to pay 5 cents as against 2½ to 2¾ cents from Duluth in September and as high as 6 cents as against 3 cents in October. But the things have nothing to do with each other; I am afraid my hon. friend was too anxious at the moment to excuse government legislation. He loses sight of the fact that there is a real commercial interest of tremendous size in the West that ought not to be bothered with political considerations. It means something when the farmers of the West, as a result of ill-considered, ill-digested, ill-advised legislation, have to pay 2½ cents more to reach the Buffalo market because their wheat is in Fort William instead of in Duluth. I agree that it would be a splendid thing if we could cut down the rate to the Canadian port, and I hope my hon. friend will do something to assist in getting that done. I agree also that the club which we have in connection with the coastal privileges is a good one, but I believe in using it. Why, there were higher rates not only this year but last year to Canadian ports. As soon as the Crowsnest rates came into effect, up went the lake carriers' rates. In 1912 we had the same condition, and just as soon as those rates went up the club was lifted; the coastal laws were abrogated and the rates came down. There is no trouble about that to-day.

Mr. COOTE: My hon. friend does not mean to say that the law was abrogated, does he?

Sir HENRY DRAYTON: I mean to say it was suspended. It does not pay this country to be without a lake marine any more than it could be without railways, but it is a good thing for this country to see that their lake marine behave and that if they hold up the business of the country by excessive prices their privileges shall be suspended. That is what was done in that instance.

Mr. COOTE: Why not abrogate it entirely?

[Sir Henry Drayton.]

Sir HENRY DRAYTON: If my hon. friend did that he would have to address all his complaints to Cleveland. He would no longer get any redress, tardy though it might be, from the Minister of Trade and Commerce. He would have no say whatever as to the rates on grain carried on the lakes.

Mr. COOTE: Never had any say.

Sir HENRY DRAYTON: Oh yes, we had it in 1912. The hon. gentleman's memory is short. But he was not here, so I will not blame him. These are the facts. Now, the question still remains, what does the hon. minister propose to do about that legislation?

Mr. LOW: I will tell you when that item is under discussion.

Sir HENRY DRAYTON: I am not going to be so unkind as to ask him to attempt to describe all the twisting and the shifting and the dodging that had to be undertaken in order to get the business back on a proper basis. But surely we should have it put on a business basis; that is all I ask. There is a loss in these rates of from two and a half to three millions of dollars.

Mr. LOW: If my hon. friend will allow me to correct him I will do so in a word. I have listened to the hon. gentleman discussing these lake rates. He said in his opening remarks that he did not think I had quite understood lake freight rates. I make no pretence of having the mathematical mind of my hon. friend the ex-Minister of Finance, but I shall endeavour to handle the figures in the ordinary way that a business man would.

In 1923 the rates were very slightly higher than for 1922. My hon. friend mentioned the rates from Fort William to some American ports. Let us examine the rates from Fort William to Georgian bay ports, for instance.

Sir HENRY DRAYTON: I never touched that at all, and my hon. friend knows I did not.

Mr. LOW: I quite understand why my hon. friend did not touch those rates; they would not suit his purpose, but I am going to give the House the benefit of the statement of the rates just the same. In the month of September, 1922, the rate from Fort William to Georgian bay ports and Goderich was 3 cents per bushel; in 1923 the rate was 3.54 cents, or about half-a-cent higher. In the month of October, 1922, the rate was 3.88, as against 4.39 in 1923, about half-

a-cent higher again. In November, 1922, the rate was 5.65, as against 3.82 in 1923, or almost 2 cents per bushel less in November, 1923, than in the corresponding month of 1922.

Mr. MEIGHEN: That was after the act was abrogated.

Mr. LOW: Let us see how it worked during the whole season.

Mr. MEIGHEN: Just take it when the act was in effect. What difference does it make how it worked after the act was abrogated? If you want to compare months, compare the months when the act was in effect, in order to get the effect of the act.

Mr. LOW: Let us compare the whole season of 1922 with the whole season of 1923.

Mr. MEIGHEN: What good does that do?

Mr. LOW: That is making a proper comparison of the period when the act was not in effect with the period when it was in operation.

Mr. MEIGHEN: Oh no, it is not.

Mr. LOW: The act was not in operation in 1922

Mr. MEIGHEN: Nor for the most of 1923. The minister abrogated the act in October, 1923, so what is the good of taking rates after that? Compare the rates before he abrogated the act, and the rates the year before, and he will see the rates were far higher.

Mr. LOW: I have already quoted figures to show that they were only very slightly higher during the months to which my hon. friend refers than in the corresponding months of 1922.

Mr. MEIGHEN: They were far higher up to the time the act was abrogated.

Mr. LOW: In September, 1923 there was no change; in October, 1923, there was no change.

Sir HENRY DRAYTON: No change?

Mr. LOW: No change in September; not until about the 1st of October. Take these very months to which my hon. friend refers. They are only very slightly higher then than they were in the previous year. In August, 1923, the rate to Port Colborne was 3.33, as against the same rate for the year 1922. In September the rate was even lower in 1923 than it was in 1922.

Mr. MEIGHEN: Oh, no.

Mr. LOW: November I should have said; was lower; the rate was slightly higher in September 1923—only $\frac{1}{8}$ of a cent. The rate in 1922 was 3.72 as against 3.99 for 1923, a very, very slight difference. In August the rates were exactly the same. In the month of October there was a difference of only one-quarter of a cent. In the month of November the rates were half a cent lower in 1923 than in 1922.

Mr. MEIGHEN: The act was gone then.

Mr. LOW: Taking the whole season of 1922 as against the whole season of 1923, there was a difference of two-thirds of a cent a bushel. To Georgian bay ports there was a difference during the whole season of one-tenth of a cent a bushel.

Sir HENRY DRAYTON: In September last, were not the Duluth-Buffalo rates from $2\frac{1}{2}$ to $2\frac{3}{4}$ cents a bushel? Does my hon. friend deny that?

Mr. LOW: I have not the American rates before me. I am more interested in the Canadian rates.

Sir HENRY DRAYTON: I can quite understand why he would not have the American rates, where 62 per cent of the whole movement went. I am going to ask my hon. friend another question. Will he deny this fact, and it is a fact, that on September 20th the Fort William-Buffalo rate was 5 cents?

Mr. LOW: During the month of September the rate averaged 4.57 cents.

Sir HENRY DRAYTON: That was going up pretty well. My hon. friend corroborates me pretty well, I think; 4.58 as against $2\frac{1}{2}$ and $2\frac{3}{4}$; that is the only harm, according to my hon. friend, the act did. Will he deny this, that in October the Fort William-Buffalo rate reached $6\frac{1}{2}$ cents?

Mr. LOW: It may have reached that, but the average was 5.24.

Sir HENRY DRAYTON: Are you sure of that?

Mr. LOW: Quite positive.

Sir HENRY DRAYTON: He will not deny that it reached $6\frac{1}{2}$, but it averaged 5.24 for the month, as against 3 cents Duluth-Buffalo. That is going up pretty well. Does my hon. friend deny the Duluth-Buffalo rate was 3 cents?

Mr. LOW: I have already said that I have not the Duluth-Buffalo rates before me.

Sir HENRY DRAYTON: There is just the loss on the great majority of the movement.

Mr. LOW: If I had those rates before me I might find they were just as inaccurate as the figures my hon. friend has just quoted.

Sir HENRY DRAYTON: The figures I have quoted are not wrong Mr. Chairman. So far my hon. friend has not said one is wrong. What is the use of insinuating that any of them is wrong when he cannot deny one of them? He said a moment ago he could not tell whether the rate had reached 6½ cents for the month; he could only say the average was so and so, and the average was bad enough.

Mr. LOW: I have given you the figures from Canadian ports to Canadian ports.

Sir HENRY DRAYTON: What is to be done about it?

Mr. FORKE: There is one matter I would like to bring to the minister's attention. The total cost of handling 1,000 bushels at Port Colborne is given here as 4.35 cents, and for handling 1,000 bushels at Buffalo 14.70 cents. That is a very great advantage on handling charges in favour of Canadian boats carrying grain to Canadian ports. Has that matter been looked into?

Mr. LOW: No, but the ex-Minister of Finance will be able to answer that.

Mr. FORKE: It shows a very great advantage in favour of the Canadian boats in handling charges. I was surprised at the attempt the minister made to-night to show that there were no high rates for carrying wheat during the fall of 1923. Those who ship early in the season found it a serious matter. They had to pay very high charges at that time. Of course matters were not so bad when the minister made arrangements whereby American boats could carry Canadian grain; but we know from experience what the charges were in the early part of the season.

Mr. LOW: But the facts do not bear out the statement of my hon. friend from West York. The rates were only very slightly higher.

Mr. FORKE: Probably on the average.

Mr. LOW: On the average during the month.

Mr. FORKE: But if you had happened to be one of the early shippers that would not have done you much good.

Mr. MEIGHEN: Why did the minister abrogate the act? He had no right to, it was a straight piece of autocracy.

[Mr. Low.]

Mr. LOW: He did not abrogate the act. He accepted the interpretation of the chairman of the Canadian Grain Board.

Mr. MEIGHEN: The interpretation was that there was no act.

Mr. LOW: My right hon. friend knows that lawyers differ. Because he holds one view is no reason why another member of the bar should not hold an entirely different view.

Mr. MEIGHEN: I suppose not, but no lawyer nor no human being ever held the view that the hon. minister gave. He does not hold it himself. He knows that the act was the most costly blunder and piece of humbug that was ever put through this House. It was not as big a humbug as the Wheat Board but it was just as big a blunder—just a stupid, costly blunder. He as a business man saw that he had to get some way to extricate himself from the hole in which he found himself, and he took this round about way of getting an interpretation. Everybody laughed at it; the minister is laughing at it himself—the putting of an interpretation on a clause in the act. Now, what is the minister going to do? Why does he not come here and repeal the act and tell the House the government made the mistake which they know they did make?

Mr. MILLAR: I believe that what has been said about the act being rather immature and not being sufficiently considered last session is perfectly correct. I believe also that the resistance shown by the vessel owners did cause a raise in rates in the early part of the season; but I think some of the figures that have been given are rather misleading. We all know that in the month of September, when very little grain is passing down the lakes, our Canadian rates are low, lower than later on.

Sir HENRY DRAYTON: Does the hon. gentleman know the tonnage moving in September?

Mr. MILLAR: I have not the figures by months, but I can give the average for the year.

Sir HENRY DRAYTON: But the figures by the month are the figures that count. It is something like twenty-four millions.

Mr. MILLAR: The figures for the calendar year and the figures for the crop year are entirely different. One needs to know what set of figures he is comparing. It may be of interest for the purpose of comparison to give the rate for 1915. The average rate from Fort

William to Port Colborne in that year was 1.71. The average rate for 1922 was 4.05 and for the calendar year it was 3.81. For the calendar year 1923 the average was 4.24, so that while the rate may have been higher in certain months the variation was not very great.

I may say that while this controversy was going on I sent a wire to the minister suggesting that he intercede with the railways in order to have the all-rail rate from Armstrong to Quebec lowered. I have never been able to understand why the rate from Armstrong, directly north of Fort William, to the city of Quebec, a distance of 960 miles, is 21 cents. That used to be the figure and I believe it is still. Let me point out to the minister that if grain were carried from Armstrong to the city of Quebec at the same rate it is now carried from Calgary to Fort William the figure would be 11 cents. Now, when we have built this railway at enormous expense—with a road bed that is excellent and a grade that is good—and when we have a terminal in the city of Quebec with an elevator capacity of 2,000,000 bushels, that was at this time only partly occupied, why should the railway rate be prohibitive? It would be wise, if such a difficulty occurs again and the shippers are determined and defiant, for the minister to take steps to set aside and suspend the coasting laws. I knew when I sent this wire to the minister the proposition would be only a partial remedy, for the reason that even if the rates on the railway were lowered at once the rolling stock would be lacking; it would not be possible to get sufficient rolling stock to carry any very great quantity of grain down to Quebec.

One thought I should like to express is this: The minister has been severely criticised for interceding with the American and Canadian shippers, and it has been suggested that he practically invited them to break the Canadian law. I do not feel like seriously condemning the minister for that course because grain was coming down from Winnipeg at the rate of a trainload of forty cars every thirty minutes, night and day. You can see what that meant. For that grain to be tied up, even for a week or a month, meant enormous loss. Therefore I would rather approve the course the minister took, even if he had to pocket his dignity for the time being, in order that he might save that enormous loss. I did not at that time, and I do not now, feel like seriously condemning the minister, even if he took this—I will not say undignified course, for it was rather a case of bottling his pride I suppose. It has been spoken of as rather ridiculous by some hon.. members, but considering the enormous amount that was at stake and the financial condition of those who would suffer, those who were growing grain, I was glad the minister took any steps that might be necessary in order to permit the grain to proceed down the lakes. I shall not attempt to discuss this matter very fully because later on when the Welland canal estimates are being considered I shall deal with the question of the freight rates and the reason why Canadian grain passes through American channels to the extent that it does.

Mr. LOW: I do not understand how my hon. friend, from Brandon (Mr. Forke) could interpret my remarks as an attempt to justify the rates in force on the lakes last fall or at any time. I was simply endeavouring to point out to the hon. member for West York (Sir Henry Drayton) that the rates last fall, or during the shipping season in 1923, were not higher than they were in 1922.

My hon. friend from Saltcoats (Mr. Sales), made some reference to the marketing of grain. I wish to say that there is no subject occupying my mind more than that of trying to work out some plan that will permit the marketing of the grain of the Canadian West at a lower cost than is the case at the present time. My hon. friend has apparently jumped to a conclusion. He made the remark that I had been carrying on negotiations with the ocean vessel owners and had apparently been unable to accomplish anything. I want to inform my hon. friend that it is true I have been carrying on negotiations regarding ocean freight rates on cattle, but before this session is closed I hope to work out some solution that will lessen the cost very materially of carrying the cattle from Canadian ports to English ports.

Mr. FORKE: I would like to say in explanation that I was not exactly blaming the minister; in fact I agree to some extent with the remarks of the hon. member for Saltcoats (Mr. Sales); but what did vex me last fall was that there seemed to be a trial of strength between the Canadian government and the Canadian Government Merchant Marine, and something had to be done. I think probably the minister took the proper steps and I would like to see this government and Canada in such a position that no group of shipowners could dictate just exactly what is to take place on the Great Lakes, a result that could be brought about by abrogating the coastal laws.

Mr. CAMPBELL: I was glad to have the assurance of the minister that this question of securing lower transportation for our grain is occupying a good deal of his attention; but still I am not quite satisfied with the way the coastal laws are being handled. I agree that when we have a club it should be used, and if this were used as a club at the proper time, we would not be asking for the repeal of the coastal laws. That is the whole issue at stake. If the government were prepared to use it at the critical time it would be all right. But the reason we object to the very existence of the coastal laws is that it is only at long periods that this weapon is ever used at all. The minister said himself that competition was one of the things that regulated freight rates. We had a very good proof of this in the insurance rates. I think the government felt that the practice of vessel owners handling insurance was wrong, and it was done away with. As a result I see to-day that 6½ cents per hundred dollar value is the rate from the head of the lakes to Buffalo, where formerly it was 30 cents for a hundred dollars. That makes quite a difference. The hon. member for West York (Sir Henry Drayton) thinks that if we repealed the coastal laws we would have no merchant marine left. If one studies the report of the royal commission appointed to inquire into the lake freight rates on grain and insurance, he will find that these Great Lakes shippers are making a great deal of profit. Page 36 of the report deals with the Great Lakes Transportation Company, and the commission makes some rather interesting deductions. The company has shown 11 per cent as the actual return on their investment. Now the deductions of the commission would show that it was actually about 45 per cent.

Mr. ROSS (Kingston): What company was that?

Mr. CAMPBELL: The Great Lakes Transportation Company. They value one vessel at $525,000, and the commission values it at $125,860.

Mr. ROSS (Kingston): What is the capacity of the vessel?

Mr. CAMPBELL: I do not think they give the capacity. The Mathews Steamship Company show an accounting of 10.24 per cent and in connection with this company the commission quote a letter that was issued by Mr. Mathews, the manager, on August 20th, 1922, as follows:

> The average annual net earnings derived from operation, after depreciation and taxes for the five years ending January 31, 1922, amounted to almost five times the total interest charges on the bonds now outstanding including the present issue. Preliminary figures for the first half of the year 1922, indicate that the earnings for this year may be considerably in excess of the above proportion.

The commission goes on to report:

> The bond issue was $700,000; the interest on that would be $49,000. Five times that would be $245,000; but in exhibit 277 the company claims that its operations for the year 1922 up to the first of September resulted in a loss of $29 709.61.

It is quite apparent from those figures that their supposed earnings of 10.24 per cent are a long way from being correct; the figures would show they are making very substantial profits, and I think there is very little danger indeed of our losing our Canadian Merchant Marine through the repeal of the coastal laws.

Mr. SPENCER: Can the minister tell me if Mr. George Hill is still the superintendent at Calgary?

Mr. LOW: Mr. George Hill was suspended, but has been reinstated. The matter was investigated. The reason of the suspension was that he wrote a letter to a gentleman in Alberta that I did not think was a proper letter for him to send out. The matter was investigated, and he has been reinstated. I will read a portion of the letter so that the House may have some idea of the reason for his suspension for a time. It was addressed to Mr. M. G. Gudlangson, and reads:

> When my duties call upon me to answer such correspondence as you send me, then I will quit of my own accord. Were I to tell you that my grading was no poorer than Winnipeg, you no doubt will not believe it, nor could you understand if I was to explain. I was raised on a farm and never saw the lights of a city until I was over eighteen years old. I used to accumulate a grouch like yours on the farm, because I had to spend my hours when not at school cleaning out the cowsheds and pigpens.

That letter was forwarded to me by the gentleman who received it. I immediately looked into the matter and found that Mr. Gudlangson had written to Mr. Hill and myself upon the same date. I replied to Mr. Gudlangson's letter. Mr. Gudlangson wrote three letters to Mr. Hill. To the first one Mr. Hill paid no attention. He wrote another letter and Mr. Hill paid no attention to it. When he wrote a third letter Mr. Hill con-

descended to answer him by the letter I have read. I felt that any man who would write such a letter to any citizen in Alberta or any other province should be suspended at once. I ordered an investigation, and the matter was investigated. The chairman of the Canada Grain Board reported to me and gave reasons why Mr. Hill had answered in such a manner. He stated that he was working under high tension and a nervous strain. I replied to him that many men are working under high tension or high strain but they find opportunities to answer letters in a courteous and civil manner. I was informed that Mr. Hill regretted his action very much; so I told them to give Mr. Hill another trial.

Mr. SPENCER: Out of what vote will the expenses of the Royal Grain Commission be paid?

Mr. LOW: There was a vote last year which has not covered the expenses, and an amount will be placed in the supplementary estimates to provide for it.

Mr. ROSS (Kingston): Are there any grain hospitals at the foot of the lakes?

Mr. LOW: I cannot answer that question.

Mr. ROSS (Kingston): Has the minister any information as to the amount of grain lost at the foot of the lakes?

Mr. LOW: We have no knowledge of any losses; any losses that occurred would be through private elevators.

Mr. COOTE: I want to correct a statement made by the hon. member for Fort William and Rainy River a little while ago so that the correction will appear in the same Hansard that reports his remarks. He was quoting the overages of the United Grain Growers in certain years taking the figures from the Price Waterhouse report. The hon. member is very well versed in some things but he has yet something to learn about the grain trade. He gave certain figures purporting to be the number of bushels of overages which this company had in certain years but in looking up the report I find that the amounts he quoted were the proceeds of the overages in those years. So that those who read Hansard may have some other overages to compare with the figures quoted by the hon. member, I want to quote the figures in regard to one other company in the same year, the Empire and Thunder Bay. In 1912 their overages amounted to 160,821; in 1913, 169,622; in 1914, 59,066; in 1915, 236,223; in 1916-17, 309,643. I might further point out that in the five years covered by this report the total overages of the elevators under supervision showed a total receipt of $5,304,367. I would quote more figures but the hour is late. I should also like to say something regarding the coastal shipping law, but I may bring it up under the other vote. I will defer my remarks.

Item agreed to.

Dominion Bureau of Statistics, including 6th Census, $200,000.

Mr. MEIGHEN: Surely the minister, having got through a vote of a million dollars does not wish to go further at midnight? How can we stand this day after day?

Mr. LOW: We have wasted considerable time discussing something at present under investigation by a royal commission, and I do want to get one or two items through.

Mr. MEIGHEN: The main item is through.

Mr. FORKE: In regard to the minister's remark, if the House were assured of an opportunity of discussing this question when the report of that commission is submitted, this discussion need not have taken place. But this is the only opportunity we have of taking up the matter.

Mr. MEIGHEN: What can we discuss if we are to keep away from the things that are before royal commissions?

Mr. LOW: The door has been left wide open for the discussion of everything that does not relate to this particular item. All the other items that will be voted at a later date were discussed in connection with this vote and I raised no objection.

Mr. SPENCER: I am sorry the minister thinks we have wasted a lot of valuable time; I think we have made good use of the evening and have secured a good deal of information.

Mr. COOTE: Why has the minister reduced the expenditure under this item? I believe that the expenditure on the Bureau of Statistics is one outlay which can be justified; this is money well spent.

Mr. LOW: The decreases are in the staff and in the completion of the census. A number of machines have been installed that do the work otherwise performed by in-

dividuals. There are also about 20 unnecessary publications issued monthly including preliminary bulletins the elimination of which will represent no loss.

Mr. COOTE: You do not contemplate cutting down the service?

Mr. LOW: No. Let me give my hon. friend the benefit of an investigation I made myself. I had a letter from a friend who wished to have a certain person in the department re-classified. On investigation I found that this gentleman had under his charge some 12 employees. I made an examination of the work carried on by that particular branch, and having some little knowledge of what a stenographer or an office hand should be able to do I decided that instead of recommending an increase in the salary of the gentleman in charge of the office there should be immediately dispensed with the services of 5 out of the 12 persons under him. I thought that 7 would be able to carry on the work efficiently and satisfactorily.

Mr. MEIGHEN: I will certainly support the minister in any contraction he may make and I hope he will pursue the good work further. I will give him a hint now as to what he might do by association with his colleagues. We made a persistent effort to get all statistical work concentrated in the one service; I thought it was practically complete and successful. I find now that there are statistics branches almost everywhere; I do not know whether new ones have grown up or whether this is a revival of the old ones. For example, there is a statistics branch in the Labour department. What in the world is the need of that? The statistics should all be in one office, and then there could be economy as well as efficiency. Let me give the minister an illustration. I got from a business man just lately a letter in which he refers to some correspondence with the statistics end of the Labour department. This business man had given out certain facts in his own literature, and important and interesting they were. They had reached the Labour department. The Labour department statistics office wrote and asked where these statistics had been secured; they would very much like to have them. He wrote back informing them that he got the figures from the Statistics branch of the Department of Trade and Commerce. Here was one government department writing to a business man to find out where information was secured that came from another government department just across the road! What is the common sense of maintaining those two offices, especially when one does not know what the other is doing? Had I known this matter was coming up I would have brought the correspondence down it is really laughable. Let the minister have a talk with his absent colleague, the Minister of Labour, to see if he cannot close up the factory there and use one central statistics office.

Mr. LOW: I quite agree with the right hon. leader of the opposition that there are many branches in various departments that might well be combined. But he knows that it is a condition which we inherited—I am not finding any fault with that—

Mr. MEIGHEN: I think you have developed it.

Mr. LOW: —but I hope that during the time we are in office we will be able to remedy this condition.

Mr. MEIGHEN: It is getting worse.

Mr. LOW: I do not think so.

Mr. SHAW: What power or authority can the chief statistician exercise to secure statistics from the various departments?

Mr. LOW: I am sure that would be a very simple matter to work out. The Statistics Act covers the duties of the bureau and additional services may be assigned to it, from time to time.

Mr. SHAW: Has he any authority to demand statistics from the departments? I understand that he has not. I should like to know.

Mr. LOW: Arrangements can be made to provide for co-ordination.

Mr. FORKE: Some time ago I asked for statistics from the Bureau of Statistics, and was told I could only get the information from another department.

Mr. LOW: I suppose there are some instances like that to which my right hon. friend referred.

Mr. FORKE: I have never got the information yet.

Mr. LOW: Well, if you ask our department you will at least receive a reply.

Mr. MEIGHEN: The minister should not have said that he inherited the condition.

The whole unification from beginning to end took place under the late government; there was no chief statistician before. Now, I do not say that in the Labour department there was not perhaps some relic left.

Mr. LOW: I am sure my right hon. friend is not objecting to the chief statistician?

Mr. MEIGHEN: No, I am not; he is one of the best officials any government ever had. But I am inclined to the belief that there is growing up a sort of second crop in the various departments, and why in the world there need be, especially in the Labour department, I am at a loss to understand. If there is not power in the chief statistician to get data from the other departments, there certainly should be. I was under the impression that he possessed such power.

Mr. LOW: I quite agree with my right hon. friend that there should not be duplication in the other departments.

Mr. SHAW: I want to direct the attention of the minister—perhaps he has already had the matter under his observation—to the report of the Haldane Commission in Great Britain some three or four years ago with regard to the reconstruction of the ministry, in which the essential and vital importance of statistical work is outlined and a procedure is suggested by which it can be made a really effective and centralized function of government.

Item agreed to.

The CHAIRMAN: Marine and Fisheries—the minister wants to call one item in order to get on to-day.

Mr. MEIGHEN: We will not stand for it. I move that the committee rise.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I will not press the item, but I want it called in order to be in a position to proceed Thursday and Friday.

Mr. MEIGHEN: I will not permit an item to go in to-night, but so far as I can see now I would not object to the minister proceeding on Thursday and Friday. If I find I have to object, I will let him know in the morning.

Mr. CARDIN: Très bien. That is all right.

Mr. LOW: I move the committee rise.

Progress reported.

On motion of Mr. Graham the House adjourned at 12.10 a.m. (Thursday).

Thursday, June, 12, 1924

The House met at three o'clock.

SALARIES OF POSTAL EMPLOYEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday the right hon. leader of the opposition (Mr. Meighen) asked if there was additional correspondence between the Civil Service Commission and the Board of Audit in respect to the revision of the civil service salaries. I now beg to lay on the Table a file of correspondence.

Mr. MEIGHEN: Does it include correspondence with the deputy ministers?

Mr. MACKENZIE KING: Yes.

LIQUOR AND NARCOTICS

TREATY WITH THE UNITED STATES FOR SUPPRESSION OF ILLICIT TRAFFIC

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Graham:

That 700 copies in the English language and 500 copies in the French language of the Treaty for the Suppression of Smuggling Operations along the international boundary between the Dominion of Canada and the United States of America, and for kindred purposes, signed at Washington on June 6, 1924, be printed forthwith; and that rule 74 in relation thereto be suspended.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FEDERAL OFFICES, SASKATOON

Mr. EVANS:

1. How many offices are rented by the Dominion government in Saskatoon?
2. What is the amount of rent paid for these offices?
3. Has the government considered the possibility of leasing or constructing a building capable of housing all departmental branches established in Saskatoon?
4. What was, or will be, the saving accomplished by leasing the Southam Building in Calgary?

Hon. Mr. KING (for the Secretary of State):

1. Eleven.
2. $20,839.85.
3. Yes; the matter has been under consideration.
4. The annual saving accomplished by leasing the Southam building at Calgary is $3,720.74. In addition there is the convenience and increased efficiency gained by grouping the federal government offices in one building.

It was also necessary, in any event, to secure more space for the post office, which the ground floor of the Southam building provides.

GRANTS TO SALVATION ARMY

Mr. WOODSWORTH:

1. What is the total amount of moneys paid to the Salvation Army by the government for the years 1910 to 1923, inclusive?

2. For what purposes was the money granted and by what departments?

Hon. Mr. KING (for the Secretary of State):

Department of External Affairs:

1. The only money paid through the Department of External Affairs to the Salvation Army for the years 1910 to 1923 was $30.88.

2. The purpose for which this money was paid was a gratuity to charity, paid by the Paris Agency office in France.

Department of Naval Service: Nil.

Department of National Defence:

1915	Work at old General Hospital, Toronto, Ont.	$ 66 80
	Wood supplied to C.E.F. units at Victoria, B.C.	379 50
1916	Alterations and repairs to Booth Memorial Institute at Toronto, Ont., occupied as Orthopædic Hospital	7,844 77
1917	Accommodation for C.E.F. personnel at Montreal, P.Q.	195 00
1918	Rental of portable hut, Toronto, Ont.	10 72
	Rental of Orthopædic Hospital, Toronto, Ont.	875 00
	Rental of 2 cottages, Toronto, Ont.	67 50
		$ 9,439 29

Department of Air Service: Nil.

Department of Immigration and Colonization:

Fiscal Year	Grants	Grants *re* Juvenile Immigration	Commission on Farm Help	Bonus on account of Children	Totals
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
1909–10	10,516 67	.....	1,046 00	.....	11,562 67
1910–11	15,516 64	.....	1,904 00	.....	17,420 64
1911–12	15,516 64	.....	2,072 00	2 00	17,590 64
1912–13	15,516 67	.....	1,486 00	10 00	17,012 67
1913–14	22,516 68	.....	2,432 00	8 00	24,956 68
1914–15	21,516 67	.....	490 00	6 00	22,012 67
1915–16	10,000 00	.....	228 00	64 00	10,292 00
1916–17	7,500 00	.....	52 00	4 00	7,556 00
1917–18	7,500 00	.....	4 00	.....	7,504 00
1918–19	7,500 00	.....	.....	.....	7,500 00
1919–20	5,000 00	.....	.....	.....	5,000 00
1920–21	15,000 00	.....	.....	.....	15,000 00
1921–22	25,000 00	1,500 00	.....	.....	26,500 00
1922–23	25,000 00	1,500 00	.....	.....	26,500 00
1923–24	35,000 00	13,997 00	.....	.....	48,997 00
Grand totals	238,599 97	16,997 00	9,714 00	94 00	265,404 97

MR. DUNCAN MARSHALL

Mr. SUTHERLAND:

1. Is Mr. Duncan Marshall at present being paid salary or an allowance out of the treasury of the Dominion of Canada?

2. If not, what was the date of the termination of such payments?

3. Was there any communication or inquiry by the Auditor General or officials of that department with officials of the Department of Agriculture in regard to the commission or authority under which salary and allowance for expenses was being paid to Mr. Marshall?

4. If so, what were the dates and nature of such correspondence or inquiries?

5. What amount has been paid Mr. Marshall out of the Dominion treasury to date, and when did such payments begin?

[Mr. J. H. King.]

6. What is the date of the passing of the order in council, if any, by which such payments were authorized?

7. Did Mr. Marshall, while in the pay of the Dominion of Canada, make a trip to France? If so, what was the date of the visit?

8. Did Mr. Marshall, while in France, have anything to do either directly or indirectly with the purchase negotiations or inquiry into the purchase of the Hotel Scribe in Paris, by the Canadian National Railway Board?

9. If not, what was the nature of Mr. Marshall's mission to France?

10. Is Mr. Marshall at present employed as an organizer for the Liberal party, or has he been so employed at any time since January 15th, 1922?

11. Did Mr. Marshall, while drawing salary and allowance for expenses from the Dominion treasury attend and deliver an address at a political picnic at

the village of Otterville, held under the auspices of the Women's Liberal Club of Tillsonburg, on June 28th, 1922?

12. Did Mr. Marshall, as reported in the press on the authority of the chairman of the said meeting, Mr. W. F. Brown, South Oxford's representative on the Ontario Liberal executive, attend said political assembly by request or order of the Prime Minister, the Right Hon. W. L. Mackenzie King, or any other member of the government?

13. Did Mr. W. F. Brown, a member of the Reform executive for Ontario, when in Ottawa on or about June the 27th, 1922, arrange with the government, or any members thereof, for Mr. Marshall to attend the political meeting at Otterville referred to?

14. Was Mr. Marshall deputed to inquire into and recommend an appointment to fill the position of postmaster at Otterville, which was vacant at that time?

Hon. Mr. MOTHERWELL:

1. No.
2. January 1, 1924.
3. Yes.
4. The correspondence, is as follows:

Office of the Auditor General Canada
Ottawa, September 20th, 1923.

Dear Sir,—I find on examination of the charges made under your Letter of Credit during the past fiscal year, on the vote for the administration of the Agricultural Instruction Act—No. 52—that Mr. Duncan Marshall was paid as Commissioner of Agriculture, $6,000 in monthly instalments of $500 to March 31, 1923.

As you are aware Mr. Marshall's appointment as a Commissioner was authorized by Order in Council—P.C. 223—dated February 7, 1922.

Will you please let me know if a Commission was issued to Mr. Marshall and if such Commission limited the period of his services to any specific date.

Yours truly,

WM. KEARNS,
Asst. Auditor General.

The Deputy Minister,
Agriculture Department,
Ottawa.

Department of Agriculture
Ottawa, Sept. 20th, 1923.

Dear Sir,—Replying to your letter of the 20th instant,—I have to advise you that no Commission was issued to Mr. Marshall.

Yours very truly,

A. L. JARVIS,
Acting Deputy Minister.

The Asst. Auditor General,
Ottawa.

5. $19,637.98, February 9, 1922.
6. February 7, 1922.
7. Yes. May 21 to 25, 1923.
8. Nothing whatsoever.
9. Attending the International Congress of Agriculture.
10. From January 15, 1922 until December 31, 1923, Mr. Marshall was not employed as organizer of the Liberal party. Since he severed his connection with the Department of Agriculture, this department has no information on the subject.
11. Mr. Marshall delivered an address on agricultural education at a picnic at Otterville, on or about June 28, 1922, at which meeting, Mr. Marshall states, no political questions were discussed by himself or any other speaker.
12 and 13. Understand Mr. Brown made request on behalf of Otterville Women's Club to have Mr. Marshall address said club. He did so, confining himself, under advice, to agricultural subjects entirely and dealing more particularly with agricultural education.
14. No.

TRENT VALLEY CANAL—LOCK-MASTERS

Mr. HALBERT:

1. How many lock-masters are engaged on the Trent valley canal?
2. What are the names, salaries and allowances of each?

Hon. Mr. GRAHAM:

1. 38.
2.

Name	Salary	Bonus.
Michael Lafrance, Lockmaster, $900, and Canal Clerk, $75..	$ 975	$315
D. B. Hanna..	900	
P. L. Knox..	900	315
J. P. McCauley..	900	315
Lloyd Hanna..	900	315
Chas. Herman..	900	315
Major Fraser..	900	315
John Potts..	900	315
Wm. Barker..	900	315
Jos. T. Dutton..	900	315
Chas. Nicholes..	900	315
F. Daly, Lockmaster, $870, and Canal Clerk, $75..	945	315
A. Messenger..	870	315
C. L. Kellogg..	900	315
R. Bennett..	900	315
Jas. Logan..	900	315
W. D. Edwards, Lockmaster, $750, and Canal Clerk, $100..	850	315
Alex. Calder..	900	315
Alex. Richardson, Lockmaster, Hydraulic lift lock, $1,200 and Canal Clerk, $120..	1,320	186
E. T. Shewen..	870	315
D. M. Anderson..	900	315
Ed. Wright..	900	
J. McFadden..	900	315
P. P. Young, Lockmaster, $900, and Canal Clerk, $150..	1,050	315
I. Church..	900	315
W. E. T. Shewin..	900	315
F. Edwards..	870	315
R. Pearson, Lockmaster, $900, and Canal Clerk, $100	1,000	315
R. C. Jenkins..	870	315
Thos. McDiarmid..	900	315
J. W. Barber, Lockmaster, $900, and Canal Clerk, $100.. ..	1,000	315

Name	Salary	Bonus.
R. H. Irwin..	1,140	315
J. A. Cowie..	900	315
W. D. Burgess	900	315
W. O. Weese..	900	315
T. J. Donnelly..	870	315
J. D. Jones, Lockmaster, $870, and Canal Clerk, $50.. ..	920	315

WEMBLEY—FRENCH-CANADIAN EXHIBITORS

Mr. RINFRET:

1. How many French-Canadian business houses are exhibiting at Wembley, and what are their names?
2. Has the Dominion government carried out an efficient propaganda in the province of Quebec in order to induce manufacturers and business houses to take part in this exhibition?
3. If so, what was the nature of this propaganda?

Hon. Mr. ROBB:

1. Four.

Caron Bros. Inc., Montreal, light, water and power plant, jewellery, radio equipment, metal stampings, etc.
Couture, Professor C., Montreal, violins.
Galibert Glove Co., Montreal, hosiery, gloves.
Lamontagne Limited, Montreal, harness, saddlery, wool rugs and automobile accessories.

2. Yes, not only in the province of Quebec but from one end of Canada to the other.

3. A commissioner was appointed to carry on propaganda work. This commissioner paid personal visits to every manufacturing centre and announced through the press in advance the purpose of his visit to each place. The co-operation of all branches of the Manufacturers' Association, the chambers of commerce and boards of trade was also sought, and nothing was left undone which would tend to bring to the notice of manufacturing and business houses the advantages of participating in the British Empire Exhibition.

SALARIES OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. W. F. MACLEAN (South York): Mr. Speaker, I would ask the government whether they have not received a communication from the Letter Carriers Federation protesting against the unfair treatment, as they say, accorded them by the Civil Service Commission in recommending that they be granted lower pay than any other of the postal employees. They take the ground that inasmuch as they give the greatest service they ought at least to get equality of treatment with the other branches. I should like to read the letter, Mr. Speaker if it is in order; it is very short. Is it the intention of the government to reconsider the matter and accord the same treatment to these men as to those engaged in other branches of the service?

[Mr. Graham.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the government have given this matter a great deal of attention, having had the salaries of the postal employees carefully considered by two bodies. Parliament has imposed on the Civil Service Commission certain obligations and duties with respect to salary revisions, and unless parliament alters the act and places upon some other body the making of such revisions, it will not be possible for the government to go beyond what is permitted by the law as it now stands.

Mr. MEIGHEN: Has the government not approved the Civil Service Commission schedule?

Mr. MACKENZIE KING: Yes, the government has approved it.

HIGH COMMISSIONER'S STATUS

On the Orders of the Day:

Mr. RENE MORIN (St. Hyacinthe-Rouville): Mr. Speaker, I beg to draw the attention of the Prime Minister to an editorial which appeared in the Montreal Gazette of May 29, 1924, as to the standing of the High Commissioner of Canada in London, in the course of which it is stated:

An interview between a high commissioner and a minister of the British government requires a good deal of arrangement, and not infrequently has proved impossible, the high commissioner being politely referred to subordinate officials, and such a thing has been known to happen even to ministers of the Canadian government present in London on various missions.

And further on is the following:

If a Dominion high commissioner has business to transact with a member of the British government, he should have access, by appointment if necessary, to the minister in question, and it is a strange thing indeed if such access is denied. The high commissioner's official status may be relatively low, but he is the highest permanent representative of his government, and as such he should be treated.

I would ask the government if these are true statements of fact, and, if so, is the government seeking a remedy?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There have been occasions I think, when the high commissioner has found it difficult to obtain interviews with British ministers, but the latest communications I have had from him would indicate that the British government are doing their best to accommodate him in this respect.

The question of the status of the high commissioners is being considered by the British government at the present time. When the former Secretary of State for the Colonies left office he had made certain recommendations with respect to the precedence to be given the high commissioners. Naturally the matter has been referred to his successor, and I understand that the British government are not yet in a position to make an official public announcement as to what will be ultimately arranged, but that they hope to do so in the very near future.

TORONTO VIADUCT

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I would like to direct the attention of the government to a matter of urgent public importance, namely, a despatch from the Canadian Press stating that after an explanation of the agreement between the railways and the city of Toronto the government has decided to go ahead and carry out the contract of the Canadian National Railways to build the Toronto viaduct. Is that correct? Has the minister yet considered the legal report he received from the railway, and is he in a position to declare what will be done? Has he any new information on this subject to give the House?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, there is something new on this subject every minute. The minister has looked over the documents, legal and otherwise, which were referred to a few days ago. The matter is still being considered very carefully, and I think I can say that some progress is being made.

PULPWOOD COMMISSION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I want to ask the—I guess he will be Acting Minister of Finance in this respect—when this Pulpwood Commission report is to come down? Will it be down in time for action this session, or are they still in Washington or New York?

Hon. J. A. ROBB (Acting Minister of Finance): No, they are not in Washington or New York. I am just as anxious as my hon. friend is to have the commission conclude their work. My right hon. friend will understand that I would like to get the matter closed up.

Mr. MEIGHEN: That is a very interesting remark, but it is anything but an answer to my question. The question is, when does the minister expect the report?

Mr. ROBB: I shall again direct the attention of the commission to the desire of my right hon. friend, and, I believe, of parliament and of the government, to have their work concluded.

Mr. MEIGHEN: There is no expectation at all as to whether it will be down this session or not?

Mr. ROBB: I would not like to make any commitments on that.

PRESS REPORT CORRECTED—MR. GRAHAM

On the Orders of the Day:

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): It is seldom that I speak on behalf of the right hon. leader of the opposition (Mr. Meighen), but I feel to-day that it is my duty to make an explanation lest posterity should hold him responsible for a few feeble remarks of mine. I know he will appreciate my solicitude in the matter, and this explanation may prevent one or possibly both of us from entering action against a leading newspaper. I see in the Montreal Gazette, with reference to the Canadian National Advisory Committee on the waterways project, this heading:

Hon. Mr. Meighen explains objects for which committee was formed.

I feel flattered that that heading was put above the remarks I made. It is solely on account of my solicitude for the right hon. leader of the opposition that I hasten to relieve him of the responsibility.

Mr. MEIGHEN: I hasten to express my deep gratitude to the minister, and on future occasions when I am in need of like relief I will appeal to him.

SPECIAL WAR REVENUE ACT, 1915, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the third reading of Bill No. 142, to amend the Special War Revenue Act, 1915.

Motion agreed to and bill read the third time and passed.

TRUST COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 173, to amend The Trust Companies Act, 1914.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Specified securities, proviso.

Mr. ROBB: It will be observed that the proviso is underlined. This provision was previously subsection 9 of the section and has been transferred to paragraph (c) of subsection 1 to make clearer its meaning.

Sir HENRY DRAYTON: What is the idea of the minister in connection with section 1, in a case like this, for example: The companies are authorized to invest trust funds in such securities as are authorized by the terms of trusts; but supposing you have a trust which is silent as to the character of the investments—that is not uncommon among people who do not understand them—what is the situation then?

Mr. ROBB: They would have to invest in trustees' securities.

Sir HENRY DRAYTON: What section says that?

Mr. ROBB: Section 63 of the act.

Sir HENRY DRAYTON: Is that in this act or in the old act? What does the old act say?

Mr. ROBB: Section 63 provides:

(1) The company may invest trust money in,—

(a) the debentures, bonds, stocks or other securities of or guaranteed by the government of the Dominion of Canada; or of or guaranteed by the government of any province of Canada, or of or guaranteed by the government of the United Kingdom, or of any colony or dependency thereof; or of or guaranteed by the government of the United States or of any state thereof; or of any municipal or school corporation in Canada; or guaranteed by any municipal corporation in Canada; or secured by rates or taxes, levied under the authority of the government of any province of Canada on property situated in such province and collectable by the municipalities in which such property is situated; or

(b) first mortgages or hypothecs upon improved freehold real estate in Canada; or

(c) such securities as are authorized by the terms of the trust: Provided, however, that, notwithstanding the terms of any trust, the company shall not invest or lend money deposited with the company in trust for investment, in respect of which the payment of interest or the repayment of principal is guaranteed by the company, in or upon the security of securities other than those authorized by subsections one and three of section sixty-six of this Act.

This latter proviso I have read is the amendment we now propose.

Sir HENRY DRAYTON: That is the only amendment? I thought perhaps the first was also an amendment.

Mr. ROBB: That is old.

[Mr. Robb.]

Sir HENRY DRAYTON: So, really all that is new is the proviso. The proviso seems to be a step in the right direction.

Mr. ROBB: My hon. friend himself had that proviso in the act.

Sir HENRY DRAYTON: I thought it was the old law, so really there is no change in the law, and this is simply putting the act in more readable shape, is that the idea?

Mr. ROBB: Yes.

Section agreed to.

On section 2—No loans to directors.

Sir HENRY DRAYTON: Is that new?

Mr. ROBB: It is new so far as trust funds are concerned.

Mr. BAXTER: I see by the note that this is an adaptation of the limitation upon funds of insurance and loan companies, but if we are going to do this thing, why not do it well while we are at it? This provides that the company shall not lend trust funds to any of its directors, or to the wife or any child of any of its directors. What an ingenious directorate in necessitous circumstances may easily discover is a father or mother. Very often the speculative period of life is in the younger days, and I can understand some young Napoleon of finance whose father or mother is still living calling him or her in aid as a recipient of the loan. Why not embody the Levitical degrees generally in this, and make it broad enough so that no reasonably near relative of a director shall receive any money? Simply to say wife or child does not go far enough, it seems to me.

Mr. ROBB: There is always a limit when you are imposing restrictions, and we have not heard of any abuse in the direction indicated by my hon. friend. We put in this clause to cure some abuses that have already been discovered. We must draw a line somewhere in imposing restrictions.

Section agreed to.

On section 4—Differing provisions repealed.

Sir HENRY DRAYTON: I think perhaps we had better know what we are going to cut out.

Mr. ROBB: This is to remove some of the restrictions that are considered unreasonable. The subsection repealed reads as follows:

Any provision in any special act or elsewhere conferring upon any company any other or wider powers of loaning or investment than those conferred by this act is hereby repealed.

Mr. BAXTER: Just what are these restrictions that are being removed? Is the minister satisfied that they have not constituted, after all a bargain between the investors and the company itself? They may be intended as a part of the charter for the protection of those loaning or investing money. They may have desired these restrictions. I am in ignorance and the committee is in ignorance, and I think we ought to have a statement of the character of these restrictions and the companies to which they apply.

Mr. ROBB: There is, for instance, a restriction contained in section 67 of the Companies Act which is made applicable to certain companies by their special acts, and which prohibits the company from loaning any of its funds to any shareholder. It is believed this restriction is unnecessarily severe. My hon. friend will observe that section 3 prohibits a company from investing or lending any of its funds on the security of its own stock, but there does not seem to be any reason for prohibiting loans to shareholders on other satisfactory security.

Section agreed to.

On section 5—Superintendent to ascertain expense of administration of act during last preceding fiscal year.

Sir HENRY DRAYTON: I do not remember discussing this before.

Mr. ROBB: We discussed this on the resolution.

Sir HENRY DRAYTON: Is the idea there of arriving at the amount of income for the purpose of rateably charging the companies with the expenses?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: I suppose the thing will work out this way. It will be an open question until the end of the year how the cost will be distributed. The principle running through the whole thing, I suppose both as to these and the loan companies, will be to apportion the cost to each company in the ratio that their reasonable incomes bear to such cost—is that the idea?

Mr. ROBB: That is right.

Section agreed to.

On section 6—Consideration of sale may be shares in stock of purchasing company.

Sir HENRY DRAYTON: I was just going to ask the minister whether this follows the usual form or not. Of course, there is not much use in giving the right of sale or amalgamation to these companies unless the stock provision is put in; there is no doubt about that. This or a similar provision ought to be enacted. The usual provision is that the company shall have power "to sell and dispose of the whole or any part of the business, rights and property of the company, for such consideration as the company may think fit—"and then the shares, debentures or securities of any other company, having objects altogether or in part similar to those of the company." I suppose the position is that this clause does exactly the same thing.

Mr. ROBB: It permits the selling company to take shares in the purchasing company.

Sir HENRY DRAYTON: Why is the provincial company a trust company within the meaning of the Dominion act? Is there a clause in the Dominion act extending this to provincial companies? That is the only query that suggests itself to me.

Mr. ROBB: We are putting in this provision to make sure. I read from chapter 55:

> Company or trust company incorporated for the purpose of—

The definition does not say whether it is incorporated by the Dominion or by the provincial authorities. The understanding of the department is that it means any company.

Sir HENRY DRAYTON: Would it not be clearer if we were to say: "In any sale under the authority of this section of the whole of the business, rights and property of the trust company."

Mr. ROBB: Well, "company" means trust company by the interpretation section.

Sir HENRY DRAYTON: Supposing we insert the word "trust." Would that cover the whole thing and make it perfectly clear?

Mr. ROBB: We will consent to putting the word "trust" in, it will not do any harm.

Sir HENRY DRAYTON: All right. It makes the meaning clearer, I think

Mr. BAXTER: I submit there is a constant, persistent, insidious attempt on the part of the departments of government here —and it does not matter what government is in power—to encroach upon provincial rights. I do not believe that this parliament has the slightest authority to pass such legislation in regard to a provincially incorporated trust

company doing business in its own province. Nevertheless we are eternally getting into conflict, and going into the courts, to find out whether we can possibly extend our jurisdiction. If the jurisdiction of parliament is to be revised let it be revised by reconsideration of the British North America Act and a new definition of our powers. If the provinces have come to a point where they are willing that that should be done, let them say so; but until that time comes why should we pass legislation that is absolutely futile, and just as misleading as it is futile?

Mr. ROBB: Does not my hon. friend observe that under this legislation we permit a Dominion company to sell out to a provincial company?

Mr. BAXTER: I had not observed that.

Mr. ROBB: Yes, we are making that provision.

The CHAIRMAN: Shall the clause carry?

Mr. ROBB: There is an amendment to be made. I propose that the word "trust" be placed after the word "any" on the third line.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

LOAN COMPANIES ACT, 1914, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 174 to amend the Loan Companies Act, 1914.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1, subsection 1—Superintendent to ascertain expense of administration of act during the last preceding fiscal year.

Sir HENRY DRAYTON: Is the purpose of this bill exactly the same as in the case of the preceding measure?

Mr. ROBB: The same principle is involved.

Subsection agreed to.

On section 2—Differing provisions repealed.

Sir HENRY DRAYTON: I presume the same reasons exist in the case of this bill as in the bill we have just passed?

Mr. ROBB: Yes.

Section agreed to.

[Mr. Baxter.]

On section 3—consideration of sale may be shares in stock of purchasing company.

Mr. ROBB: This is subject to the same changes that were made in the other bill. I propose to make an amendment to this section. In the nineteenth line the word "loan" will be inserted before the word "company". In the twenty-first and twenty second lines the words "which is a loan company within the meaning of this act" are struck out.

Section as amended agreed to.

Bill reported, read the third time and passed.

INSURANCE ACT, 1917, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 175 to amend the Insurance Act, 1917.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Repeal.

Sir HENRY DRAYTON: I think this is a repeal. There is no marginal note to clause 1. In connection with this clause, I observe that clause 1 of the other act is held to be invalid. On what grounds, and in what case? What is the trouble?

Mr. ROBB: Subsection 2 of section 12 reads as follows:

> A company shall be deemed to immigrate into Canada within the meaning of this section if it sends into Canada any document appointing or otherwise appoints any person in Canada as agent for any of the purposes mentioned in subsection 1 of this section.

This is to make an amendment to comply with a decision of the Privy Council.

Sir HENRY DRAYTON: What was the point in the case where this was held to be invalid? How far have our rights to regulate insurance companies been impugned? Has this to do with the amendment made in the act not so very long ago for the purpose of getting at the mutuals which have agents here? Is the effect of this to relieve them of responsibility? Or how does it come up?

Mr. ROBB: It comes up indirectly. The question was not directly before the Privy Council. It is not the intention to get after the mutuals. That is not the idea.

Sir HENRY DRAYTON: Does it leave them out altogether? What was the ground of the decision? Has the superintendent a memorandum of the decision? What was the name of the case?

Mr. ROBB: The province of Ontario and the Reciprocal Insurers.

Sir HENRY DRAYTON: I should not have said "mutuals," I should have said "reciprocals." Does this mean that the large insurers will escape the payment of the trifling tax to which they are now subject?

Mr. ROBB: No.

Sir HENRY DRAYTON: Is it entirely struck out as a matter of form?

Mr. ROBB: It is to comply with what the Privy Council said with regard to this particular clause.

Sir HENRY DRAYTON: What do we lose by this adverse judgment?

Mr. ROBB: Nothing.

Sir HENRY DRAYTON: What class of activities, if any, will now not be subject to the department? How has the point come up concretely?

Mr. ROBB: The view of the department is that reciprocal insurers might organize within the province regardless of the Dominion.

Sir HENRY DRAYTON: With regard to the Dominion's tax in connection with this, that was not under the act. That was put in by the Finance minister as one of his fiscal proposals.

Mr. ROBB: It does not affect the tax at all.

Section agreed to.

On section 2—Valuation of securities in statements deposited by companies.

Mr. ROBB: This is omitting a valuation a couple of months before the end of the year, so as to enable them to get the report ready in time.

Sir HENRY DRAYTON: It is merely an enlargement in the discretion of the superintendent?

Mr. ROBB: Yes.

Section agreed to.

On section 4, subsection 1—Superintendent to ascertain expenditure under act during last preceding fiscal year.

Sir HENRY DRAYTON: I assume that is the same as in the other bill.

Mr. ROBB: Yes, it is exactly the same.

Section agreed to.

On section 5—Common stock and proviso.

Sir HENRY DRAYTON: Perhaps this is right. The effect of the amendment is to enlarge the powers of investment by defining what class of stock of a no par value may be purchased, limiting them to stocks of no par value that have received a distribution of at least $4 a share per annum, with the further limitations which the section gives?

Mr. ROBB: That is right.

Sir HENRY DRAYTON: I take it that the only thing that is new in this section is the words:

In the case of stocks of no par value, of at least four dollars per share per annum.

Mr. ROBB: That is right.

Section agreed to.

On section 6 (3)—Other securities authorized by the Treasury Board:

Sir HENRY DRAYTON: What particular section is that? Is that the section which deals with securities to be deposited with the Treasury Board?

Mr. ROBB: No, it is securities in which companies may invest which the Treasury Board may authorize. The only new part is the underlined portion.

Sir HENRY DRAYTON: Does that really take you anywhere? It says:

Unless it can be shown to the satisfaction of the minister that the bonds, stocks or debentures whose acceptance is so authorized are not inferior in status or value to the securities for which they have been substituted.

That on its face deals only with the case of an exchange of securities. It would not cover the case where a fresh investment was made. What is the reason of this particular change?

Mr. ROBB: Subsection (3) of section 60 of the act now provides that the Treasury Board may authorize the acceptance by a company of securities not complying with the requirements of the section in cases in which such securities have been received as a result of a reorganization of the company.

Subsection agreed to.

On section 6 (3A)—certain dividends paid before reorganization to be counted as dividends paid on stocks of reorganized company.

Sir HENRY DRAYTON: What is the necessity of this change?

Mr. ROBB: It permits the company to invest in the new stock in the case of voluntarily reorganized companies.

Sir HENRY DRAYTON: I suppose the whole idea is to continue the period of dividend payments successively during the period of time which is necessary in order to allow the investment to be made? In other words, the change of name and change of status are not to be interfered with?

Mr. ROBB: That is right.

Section agreed to.

On section 7—Person or company doing insurance business without a license to be guilty of offence—penalty.

Sir HENRY DRAYTON: What is the change in this?

Mr. ROBB: This is simply transferring certain penalties from the Criminal Code to the Insurance Act.

Mr. LEWIS: Has this reference to hail insurance companies doing business under a provincial license?

Mr. ROBB: This would not affect them.

Sir HENRY DRAYTON: Just looking over this, it does not seem to me that there is any extension of the offences.

Mr. ROBB: No extension.

Sir HENRY DRAYTON: What was the idea of making the change?

Mr. ROBB: In that particular privy council case referred to, doubt was cast on some parts of the Criminal Code as it would apply to these companies.

Sir HENRY DRAYTON: It sounds very extraordinary that any doubt would be cast upon the jurisdiction of parliament to legislate in connection with criminal offences.

Mr. ROBB: We are making this clear in the act.

Sir HENRY DRAYTON: If there is one thing we are sure about, it is that we have in this parliament the absolute right to legislate in criminal matters. It is quite true that we cannot make a paper offence for the purpose of obtaining a jurisdiction, but these are real matters. I should think that it was really something connected with the method of procedure, having regard to the particular kind of business, I should not think it had anything to do with our right to legislate in this matter.

Mr. ROBB: The Superintendent of Insurance tells me that in that decision there was an intimation that it would be better to have the penalties in the act.

Mr. BAXTER: Are these sections in the Criminal Code now?

Mr. ROBB: Yes.

Mr. BAXTER: Is the minister having that portion of the Criminal Code repealed, or is it the intention to have the sections word for word in both acts?

Sir HENRY DRAYTON: I do not think these are in the Criminal Code.

Mr. ROBB: I would imagine that in the consolidation of the statutes this will likely be dropped from the Criminal Code.

Mr. BAXTER: These sections are now in the Criminal Code?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: My recollection is that the offences were formerly in our own Insurance Act.

Mr. ROBB: The offences, but not the penalties.

Sir HENRY DRAYTON: That is what I am saying—all these offences were in the Insurance Act before, and I think I am also right in saying that these particular offences never appeared in the Criminal Code. I think what happened was that we simply made use of the machinery of the Criminal Code to enforce the penalties for these offences. That is my recollection.

Mr. ROBB: Chapter 26 of the statutes of 1917, section 508C reads:

> Everyone shall be guilty of an indictable offence who, within Canada, except on behalf of or as agent for a company, thereunto duly licensed by the Minister of Finance, or on behalf of or as agent for or as a member of an association of individuals formed upon the plan known as Lloyd's or of an association of persons formed for the purpose of inter-insurance and so licensed, solicits or accepts any insurance risk or issues or delivers any interim receipt or policy of insurance, or grants in consideration of any premium or payment any annuity on a life or lives, or collects or receives any premium for insurance, or carries on any business of insurance, or inspects any risk, or adjusts any loss, or prosecutes or maintains any suit, action or proceeding, or files any claim in insolvency relating to such business, or receives directly or indirectly any remuneration for doing any of the aforesaid acts.

Mr. BAXTER: I think it is fairly well understood that by a decision of the Privy Council insurance is not a part of Trade and Commerce and that the Dominion has no exclusive dominion over insurance. If a company extends its operations into more than one province, the Dominion may then regulate that business. If a company is incorporated by a provincial act and confines its business to that province, or exercises its

business by the comity of other provinces, as it may do, the Dominion has no jurisdiction over it whatever. This is one of the most extraordinary offences that I have seen for years—making criminals out of people who are doing what is perfectly lawful.

Mr. ROBB: If I had read further in the section, my hon. friend would have known that it excepts provincial companies. Section 508C states further on:

Provided that nothing in this section contained shall be deemed to prohibit or to affect or to impose any penalty for doing any of the acts in this section described,—

(a) by or on behalf of a company incorporated under the laws of any province of Canada for the purpose of carrying on the business of insurance.

Mr. BAXTER: Does the minister not know that is no part of the legislation he proposes? He has a penalty under the Criminal Code for something or another—I have not looked it up, but whatever the offence is, there is a penalty for that—and now he asks for a new law to declare certain things to be crimes and to impose a
4 p.m. penalty in respect of them. The exception in the Criminal Code will not help that. If he gets this remarkable and ridiculous legislation through, then in the case of an insurance company incorporated in the province of Quebec, with its business confined to that province, a man going about the streets of Montreal soliciting insurance for that concern will be a criminal and liable to a penalty not exceeding $100, and if he happens to be an alien, to imprisonment for any term not exceeding six months. This committee is paying little or no attention to these questions, and if the members want to pass legislation of this character, they may do so. If they think it is enough to adopt anything coming from a minister of the Crown or a department, they may pass such legislation; but I for one, if I am the only one in this Chamber, am going to vote against this legislation as an outrageous and unconsidered act.

Mr. ROBB: My hon. friend seems to have overlooked the fact that the whole Insurance Act exempts provincial companies, so that that destroys his whole argument.

Mr. BAXTER: The minister cannot exempt them when he passes legislation of this character.

Mr. ROBB: In the Insurance Act "company" is defined to mean only a Dominion company.

Mr. BAXTER: But this says:

Any Canadian company, or any alien, whether a natural person or a foreign company, who, except under a license from the minister granted pursuant to the provisions of this act, within Canada,

(a) solicits or inspects any risk.

You do not want any definition terms for that. This is simply an attempt being made by some interests in Canada to get absolute control of the insurance business in order to centralize it in the larger cities and to prevent smaller companies in the outlying parts of the country from having an existence.

Mr. ROBB: My hon. friend is wrong.

Sir HENRY DRAYTON: It would have been more clear, I think, if we had continued in this draft the same thing that we had in our Criminal Code, which would say in so many words that this would not apply in the case of provincial companies or of agents of provincial companies. But I do find this which, as a matter of fairness, I think I should mention. The term "Canadian company" as a matter of interpretation in the Insurance Act means:

A company incorporated under the laws of Canada for the purpose of carrying on the business of insurance, excluding, however, any British or foreign company which becomes incorporated under the provisions of this act by reason merely of obtaining a license from the minister as herein authorized.

"Provincial company" means a company incorporated under the laws of any province of Canada for the purpose of carrying on the business of insurance.

"British company" means a company incorporated under the laws of the United Kingdom, and so on.

"Foreign company" means a company incorporated under the laws of any foreign country, and so on

Mr. ROBB: What does "company" mean?

Sir HENRY DRAYTON: The word "company" itself means:

Any corporation incorporated under the laws of Canada or under the laws of the United Kingdom of Great Britain and Ireland, or of any British possession, other than a province of Canada, or of any foreign country, for the purpose of carrying on the business of insurance.

Mr. ROBB: That is it.

Mr. BAXTER: Leave the Canadian company out of it, and, so far as the language of section 71 goes, any individual alien who solicits or accepts a risk, even though that be for a provincial company, is liable to a penalty.

Mr. ROBB: I do not think so. This has been passed on by the Justice department.

Mr. BAXTER: That does not settle it for me: I do my own thinking.

Sir HENRY DRAYTON: Following up what the hon. member for St. John City (Mr. Baxter) says, what is the use of the

word "alien" there at all? That is an extension of the Criminal Code. How is the word to be used there?

Mr. ROBB: Will my hon. friend look at section 11 of the Insurance Act.

Sir HENRY DRAYTON: Section 11 reads:

It shall not be lawful for,—
(a) Any Canadian company; or,
(b) Any alien, whether a natural person or a foreign company,

Then the section goes on to state the offence. They cannot:

—within Canada solicit or accept any risk,—

And so on.

Subsection 71 agreed to on division.

On subsection 71A—As to British company or British subject—penalty.

Sir HENRY DRAYTON: Does this work out the same way as the other?

Mr. ROBB: Exactly the same.

Subsection 71A agreed to.

On section 9—Conditions of license; certified copy of application and policy to be furnished on request of insured, etc.

Sir HENRY DRAYTON: Is there anything new in this?

Mr. ROBB: Yes, (a), (b) and (c) are new.

Sir HENRY DRAYTON: Will the minister kindly state the effect of this new legislation?

Mr. ROBB: Paragraph (a) requires that the company shall give a copy of the application form upon request; (b) requires the company to forward forms for proof of loss immediately on receipt of notice of loss. Paragraph (c) prescribes a form for proof of loss which shall be accepted by the companies in the case of losses occurring under fire policies.

Mr. BAXTER: I suppose I shall be told that the Justice department has passed upon subsection (c) but if I am told that, it will not enhance my respect for the Justice department. We have provisions to prevent the company from taking what is practically a dishonest advantage of an informality; at the same time I doubt whether we should go so far as to say by legislation that if a claimant fills in a form he has made complete proof of loss which the company is not in a position to challenge. It is a most extraordinary thing; however, it seems to be of no use to make comments here on these subjects.

[Sir Henry Drayton.]

Mr. ROBB: This particular clause was put in on the suggestion of the chief opposition whip.

Mr. BAXTER: Well, the minister has tried the Justice department on me; now he tries the chief opposition whip. Still, he has not increased my respect for this kind of drafting.

Sir HENRY DRAYTON: What is the real idea of the section? Is it to make a complete and proper proof of a prima facie case, or is it to say that upon the oath being made the company has to pay whether it is fraud or not?

Mr. ROBB: The policy requires proof of loss. This form will at least establish that there was a loss.

Mr. BAXTER: Then why not say so? I really do not like to discuss the thing any longer, because I feel that it is utterly useless. I am not complaining of the minister, he does not know anything about the act and he is not in a position to discuss criticisms, he simply falls back upon what someone else has handed to him. The obvious intention of the section is that a certain form should be sufficient as a form, but the draftsmanship makes it go further and says: If you fill in the form, that is a sufficient proof of loss. There is quite a difference between prescribing that information of a certain class is all that is required from a claimant, and saying on the other hand that if he fills in a certain form there is no further obligation upon him and that that concludes the case. I do not see why we should be dishonest toward an insurance company any more than that we should bear too hardly upon a claimant.

Sir HENRY DRAYTON: What does the minister really want to do by this clause?

Mr. ROBB: It is provided by the policy furnished by the company that it shall be shown by the insured how the loss occurred, and if caused by fire how the fire originated; that the loss did not occur through any wilful act or neglect; the amount of other insurance; the names of other insurers; all lines and encumbrances on the property insured; the place where the property insured; if movable, was deposited at the time of the fire. That is what the company requires; surely the man who insures has some rights as well as the company.

Sir HENRY DRAYTON: I simply want to find out what we are doing. It is some years since I engaged in that most delightful

of all pastimes, the practice of law, but I have a vivid recollection of insurance cases. I have a pretty good idea of what is wanted here. Under the act, in all insurance cases, technical proof of loss must be furnished. Unless proofs of loss are shown to be valid, and unless it can be established that the loss occurred within the four corners of the proofs submitted, there was a nonsuit. At least that used to be the law years ago when I practised, and I imagine it is the law to-day. I suppose really what is intended here is to say that this particular form of proof of loss shall be accepted as a proper discharge of the statutory obligation to give this proof on which the action can be based. I do not suppose it is intended to say that when that is done there is an end of all question.

The CHAIRMAN: Shall section 9 carry?

Mr. BAXTER: No.

Sir HENRY DRAYTON: I am going to ask the minister to be kind enough to have the Deputy Minister of Justice look into the wording of this clause before it goes to the Senate.

Mr. ROBB: Very good.

Section agreed to.

On the schedule.

Sir HENRY DRAYTON: I am afraid that whoever drafted this schedule has been out of business longer than I have, because we have an obsolete form in connection with the declaration. I know that in practice in Ontario we have not heard anything about the Canada Evidence Act of 1893 for a very long time.

The CHAIRMAN: Strike out "of 1893." Shall the schedule carry as amended?

Schedule, as amended, agreed to.

Bill reported, read the third time and passed.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply, Mr. Gordon in the chair.

Mail Subsidies and Steamship Subventions—Canada and the West Indies and South America, or both, service or services between, $340,666.66.

Mr. GARLAND (Bow River): I would ask the minister to let this one item stand for the present. There are several members engaged at the present moment on the Banking committee who, I know, wish to query the minister in connection with the item and to discuss it.

Hon. T. A. LOW (Minister of Trade and Commerce): I would be very glad indeed to oblige the hon. member, but I have been especially asked to bring on this one item first, because some members who would like to discuss it will not be here this evening.

Mr. GARLAND (Bow River): The meeting of the Banking committee was almost inevitable to-day, and I think perhaps the minister could meet the convenience of both those who desire to leave this evening and those who wish to speak on this item. It is just this one item I refer to.

Mr. MEIGHEN: Why not let these gentlemen speak who desire to, and then hold the item over?

Mr. LOW: Very well. The subsidy of $340,666.66 is the same as in previous years. In 1920 we entered into an agreement with the West Indian government which provided for a service between Canada and the Islands, and a clause was inserted that the government of Canada would use its best endeavours to arrange for a mail, passenger, and freight steamship service to come into effect as soon as possible, and in any case within three years, between Canada, Bermuda, the Leeward Islands, Barbadoes, Trinidad, and British Guiana. In 1921 tenders were called for, and a contract was given to the Royal Mail Steam Packet Company. That contract expired in 1923, when another call was made for tenders. There was only one tender received, that of the Royal Mail Steam Packet Company, at an increased rate, $584,000. We carried on negotiations for some little time and finally agreed to renew the contract for one year at the former subsidy of $340,666.66 odd. During the year we hope to look into the matter and try, if possible, to secure a better service, even supposing we have to pay a slightly increased subsidy. Our trade with the West Indies is increasing very rapidly, and I think this is one service upon which the money would be well spent.

Mr. LOGAN: I desire to take up the time of the House at perhaps a considerable length for this stage of the session, but if my remarks are lengthy, my excuse is the supreme importance of this whole question of our trade with the West Indies.

Under this item I think it is well for us to discuss, as business men, just where we stand with reference to this whole West Indian matter. The average Canadian, I am

afraid, thinks of the West Indies—by which I mean that part of America which touches the Caribbean sea; in addition to Demerara, and British Honduras, an area of over 190,000 square miles, with a population of nearly nine millions of people—as countries low in purchasing power, needing and purchasing the necessaries of life in a very limited degree. Indeed, this is not only the idea of Canadians at home, but true of many of those who have visited the islands of the West Indies and who have come back with the story there is no purchasing power there worth while.

In connection with this vote, which is for steamship communication with these islands, I desire to put before this House and the country some figures which I think will impress them with the great importance of this market, and the great purchasing power of these people. Let me say, shortly, that nearly everything they produce we need, and nearly everything they need we produce. I am going to put on Hansard what I have headed, Startling Facts Re West Indian Trade, putting the matter in a sort of tabloid form so that at a glance we can judge something of the importance of the trade and perhaps of some of the mistakes that have been made in the past.

These are the facts which I submit are somewhat startling:

1. The total trade of the United States with the West Indies in 1923 amounted to $814,703,262, while the total trade of Canada with the West Indies, in spite of the fact that many of them are under our flag and have a preference with us, amounted during the fiscal year ending March 31, 1923, to only $54,999,429.

2. The percentage of increase in United States trade in 1923 over 1922 was over 38 per cent; the increase in Canada's trade was less than 8 per cent.

3. Sales by the United States to the West Indies in 1922—and this shows something of the purchasing power of these people,—amounted to $239,535,021, and in the following year, 1923, that had increased to $331,274,785, an increase in the trade of the United States with these countries, in one year, of $91,739,764.

4. Dealing with Canada. The sales by Canada to the West Indies for the year ending March 31, 1922, amounted to $18,784,364. The sales by Canada to the West Indies for the year ending March 31, 1923, amounted to $19,406,333, or an increase in the year of only $621,969, as compared with an increase in the United States sales of $91,739,764.

[Mr. Logan.]

5. Purchases by the United States from the West Indies in 1922 amounted to $350,970,640. Purchases by the United States from the West Indies in 1923 amounted to $483,428,475, or an increase in one year of $132,457,835.

6. Canadian purchases from the West Indies in 1922 amounted to $31,532,461. Canadian purchases from the West Indies in 1923 amounted to $35,592,096, an increase of $4,059,635.

7. Total increase in United States trade, that is imports and exports in 1923 over 1922—and I think this is somewhat startling—was more than $224,000,000. Canada's trade during the same year increased about four and a half millions.

Mr. GARLAND (Bow River): May I ask the hon. member a question?

Mr. LOGAN: I would prefer being allowed to place this statement on Hansard before being interrupted. My hon. friend can put his question later.

8. The United States has 70 consular agents in the West Indies and in the countries around the Caribbean Sea, who are really trade agents; Canada has but two trade agents in all that vast territory.

9. Canada lost in operating the government ships, that is the ships of the Canadian Government Merchant Marine, in the three years 1921, 1922 and 1923, an average of about $265,000 a year.

Mr. DUFF: In the operation of the ships on that route?

Mr. LOGAN: In the operation of Canadian Government Merchant Marine ships on the West Indian route. I will give some details of this in a moment. Incidentally, we paid to the Royal Mail Steam Packet Company the amount which we are asked to vote again to-day, the sum of $340,666.66 a year to compete with the line that was losing already at the rate of $265,000 a year.

10. Canada buys yearly about $100,000,000 worth of tropical products from the United States, many of which are imported by that country from the West Indies. These products from the West Indies are carried to American ports by American vessels, and over American railways, to a point nearest the Canadian consumption, while we pile up deficits on our Government Merchant Marine and on our National Railways. For instance, last year Canada imported over 2,000,000 stems of bananas, and only 23,000 of these came into this country direct. Canada imported from the United States in 1923 over

18,000,000 pounds of grapefruit and only 400,000 pounds came into this country from the West Indies direct.

13. Here is a very startling statement. It has been submitted to me and I have every reason to believe it is quite correct. It would require 56 trains of 40 cars of 40 tons each to transport Canadian imported tropical products from Canadian ports to the points of Canadian consumption. Yet all that business is going over American lines. For instance if these fruits are bought in Winnipeg they come in through the city of New York being transported thereto by American ship, through an American port, through American brokerage firms, put on American railroads, and carried probably to an American railway point within sixty or seventy miles of Winnipeg.

14. Another startling statement is: According to the average rate of exchange of last year Canada lost nearly $2,000,000 in exchange on tropical products purchased from the United States. Why should Canada not use this money which at present is absolutely thrown away as far as this country is concerned in providing cold storage facilities on Canadian ships? Why not employ more trade agents to secure increased trade direct to Canada?

Mr. GARLAND (Bow River): May we take the trade figures the hon. gentleman has given as being the total trade to the West Indies, or do they refer simply to the British West Indies?

Mr. LOGAN: When I commenced my remarks I explained that when I referred to the West Indies I meant all the islands that are washed by the Caribbean Sea and in addition British Honduras and Demerara.

Any true Canadian is bound to ask the question: What is the remedy for this condition of affairs? Why is it that the United States of America enjoy a trade with a country which is almost foreign to them, except Porto Rico, of over $800,000,000, while Canada has but a trade of $54,000,000. What is the remedy? Well, I humbly submit, the first remedy is better steamship service. Mark you, I am not here to say that this vote should not pass. Under the circumstances I think the minister has done the right thing to continue the vote for one year in order that he may be able to look into this matter more thoroughly. But surely, we can devise some better means of carrying on this trade than paying one company $340,000 a year, whilst we are losing on our own service—which is calling at the same ports in the West Indies—the sum of $265,000 annually. Mark you, the pre-requisite for success in transporting tropical fruit is cold storage—everybody knows that. I hold in my hand the agreement between the government and the Royal Mail Steam Packet Company which has been renewed year after year. There is not one single mention made in that contract of cold storage. Yet it is the one thing that is required, the one thing we must have, if we are going to carry tropical fruits for any great distance. I have gone over the contract rather thoroughly, and there are some features of it which seem to be a little weak. If we are going to renew the contract these parts should be strengthened. We do not provide for any speed whatever. Clause 8 reads:

> The contractors bind themselves to run each of the four steamships hereinbefore referred to at their best speed.

That does not amount to very much. I do not know what their best speed would be. It might be 10 knots an hour.

An hon. MEMBER: The treaty calls for 11 knots.

Mr. LOW: There is a speed limit of 10 knots an hour.

Mr. LOGAN: I do not like to dispute with the minister. I would be glad if someone would point out to me the clause where the contract provides for any speed whatever per hour. Let me read the whole clause, and perhaps it will explain the matter. It is headed: "Rates of speed". It reads:

> The contractors bind themselves to run each of the four steamships hereinbefore referred to at their best speed in the performance of the service herein contracted for, unless the speed of the ship is delayed by reason of stress of weather, or by assisting ships in distress, in any of which events the contractors shall submit to the minister the captain's explanation of the cause of the delay or such other evidence as the minister may require to enable him to determine, and the minister upon such explanation and evidence shall determine whether the circumstances were such as justified the captain's reduction of the speed of the voyage or sufficiently explain the delay in completing the voyage.

That is the end of the clause referring to the speed of the ships. But let us pass from these boats of the Royal Mail line. As I have said I am not here to condemn this line. I think they are carrying on under difficulties. They have not the proper provision made for the trade; at the same time they have done some excellent work in developing trade in that part of the world. We have the Canadian Government Merchant Marine, with four steamers running from Halifax to Bermuda, thence on to St. Kitts, Antigua, Barbadoes, and Trinidad, and on down to Demerara. On

the other side, on the other leg of the Caribbean sea—that is towards the western islands—we have two ships, the Canadian Fisher and the Canadian Forester.

For some years we dickered with the people of the British West Indies in reference to their trade agreement; and finally in 1920 an agreement was signed. I have in my hand a copy of that agreement, and I have no hesitation in saying—though I am perhaps speaking against what might be the contention of the department of the government—we are violating that agreement every day.

Some hon. MEMBERS: Hear, hear.

Mr. LOGAN: And I will show hon. members how. In the first place we undertook, referring to the steamship service of the eastern group, to put on a line of steamers capable of maintaining an ocean speed of 12 knots an hour. I deny that these ships are there, or that they maintain that service. The clause reads:

> The steamers shall be from 5,000 to 6,000 tons gross, capable of maintaining an ocean speed of 12 knots and providing accommodation for 100 first-class, 30 second-class and 100 steerage or deck passengers.

I deny that that accommodation is there, or that it is provided. Dealing with the steamship service for the western group—that is the group around by Jamaica—the contract provides that the steamers

> —shall have an ocean-going speed of not less than 10 knots.

I have travelled on one of those boats within the last six months, and I can speak from experience. I was told by a person who knew that we did not average over seven knots an hour on a greater part of the journey. Imagine trying to operate a passenger service in this up-to-date world with steamers not making more than seven knots an hour.

Mr. SHAW: When my hon. friend is speaking about ships, is he referring to the Canadian Merchant Marine line or to the Royal Mail Steam Packet line?

Mr. LOGAN: I am now referring to the Canadian Government Merchant Marine. There is another provision in this agreement which I will submit to my hon. friend who has asked the question, who is a good lawyer—

Some hon. MEMBERS: Carried.

Mr. LOGAN: I will commend it to my hon. friend's judgment as to whether he could draft any better clause if he desired to evade responsibility. This clause states the ships shall be provided:

> —so far as the traffic warrants, with cold storage if this can be secured with reasonable cost—

Mark how it is hedged around:

> —as the traffic warrants, and if this can be secured with reasonable cost—

It reminds me very much of the old story they used to tell about the late President Grover Cleveland. When out duck shooting, he ran out of food. In the morning he said to his cook: "What are we going to have for breakfast?" And the cook replied, "If we had some ham we would have ham and eggs, if we had the eggs." No cold storage has been provided up to this date.

Mr. GRAHAM: Is that the agreement between the Canadian government and the West Indies?

Mr. LOGAN: Yes. As a matter of fact, I made a little investigation on my own hook as to what we were carrying north without any cold storage in a climate that would almost roast you. As a matter of fact I was told by one of the officers of the ship that they could put all the cargo they had in a very small room, and yet they had a crew of 60 or 70 men, splendid officers, none better, and all good navigators. But what in the name of Heaven is the use of a ship on the southern sea without cold storage if we are going to transport perishable fruits? I am leading up to show hon. members why dissatisfaction exists in the British West Indies, on account of the way they have been treated by Canada, because under this West Indian agreement these West Indian islands are forced to pay a part of the loss of the operation. It is provided in this agreement that these islands shall pay as follows:

Barbadoes	£5,000
Bermuda	2,000
Trinidad	7,500
British Guiana	7,500
Leeward Islands	2,500
Windward Islands	2,500
The Bahamas	3,000
British Honduras	5,000
Jamaica	5,000

These people say they agreed to pay these amounts when we agreed to provide cold storage. This agreement has been in force for three years. They have been compelled to pay these large amounts and yet there is no cold storage in the service which we are providing.

Mr. CAMPBELL: Could the hon. member tell us if those ships could be equipped with cold storage at any reasonable expense?

Mr. LOGAN: I cannot answer that question and I do not think the Minister of Railways and Canals (Mr. Graham) can answer it; but in my concluding remarks, one of the things which I am going to advocate is that, if we do not know, we should endeavour to find out. If we cannot operate these ships better than we are doing now, let us scrap them or give them away. There is no use in losing $265,000 a year for play-time. I am not here however to advocate that we should do away with the Canadian Government Merchant Marine. I believe there are some parts of the Canadian Government Merchant Marine which are very valuable, and while I believe the Canadian Government Merchant Marine service between Maritime Canada in the East and Maritime Canada in the West and the West Indies can be of great benefit, the kind of ships we have now are practically useless.

Referring again to the trade agreement, I understand, it was after a lot of dickering, we entered into trade arrangements with different islands. We arranged for certain preferences. Some islands give us a much greater preference than others. For instance, in Bermuda we get only 25 per cent preference and in the Bahamas, only 10 per cent preference. In Barbadoes, on the other hand, we get 50 per cent preference. I advocate to-day that we offer to establish absolute free trade between those countries and Canada. No protectionist can raise the question for a moment that there is any interference with any Canadian industry. There are no manufacturers there to compete with industries in this country. For a few years they have been under a certain degree of prosperity owing to some extent to the McKenna treaties under the British tariff. These McKenna treaties, as we all know, are now to be abrogated, and a psychological moment has arrived when the question is how long the patience of these islands is going to be maintained. I am rather shocked to find in an editorial in a leading paper known as the Canada-West Indian Magazine certain statements in reference to conditions as they exist now, showing the temper of the people. In the May issue of this magazine, I find the following:

> To say that the dropping of preference by the Labour government in Great Britain has created profound disappointment throughout the overseas portion of the Empire is no exaggeration. The fact that the Labour government's policy in this matter would seem to be endorsed by a very large proportion of the electorate, even of those who do not belong to the Labour party, is taken as indicating that for this generation at any rate imperial preference is a dead issue. Undoubtedly this marks a turning point in the history of the Empire. The dominions and colonies are now resigning themselves to the task of working out their own economic destinies without any special co-operation or assistance from the home country, and with the feeling that any preference they may now be giving to goods manufactured in Great Britain is in opposition to the principles of those who benefit by it, and therefore not held to be of any high value either in principle or effect. In the circumstances it is inevitable that the dominions and colonies will look elsewhere for the trade agreements and alliances upon which their economic structure will in future be founded.
>
> It is pleasing to note that the first reaction to the home government's policy has been for the dominions and colonies to look to each other for such extension of trade agreements as will enable them to develop trade one with another, and thus to build up a British preference in which the only non-reciprocating portion of the Empire will be Great Britain. One instance of this is found in the negotiations now proceeding between Canada and Australia for an agreement which will give Australian commodities a preference in the Canadian market and place Canadian commodities on an equal footing with goods from Great Britain in the Australian market. Then again, there is renewed interest in the reciprocity agreement between Canada and the West Indies, and a disposition both in Canada and in the islands to still further develop the preferential policy.

The Jamaica Gleaner a leading organ of West Indian opinion states among other things:

> There is also the future to think of. If England is again to become a free trade market, if the overseas portions of the Empire are to hope for no preferential treatment in the Mother Country, they will naturally endeavour to find other markets and will withdraw from British goods the preference which those goods enjoy to-day. If the economic tie is severed by a Labour government, it will probably also be severed by the various Colonial governments. That is the situation and it is just as well for us to face it squarely, for when we face it we shall begin to think seriously of what to do in order to ensure a decent economic and industrial future for this country. We have a preferential treaty with Canada to-day, and though no one pretends that it is perfectly satisfactory, it nevertheless represents the beginning of reciprocal trading relations between the Dominion and ourselves. We are not satisfied either with the internal administration of this colony or with the Imperial policy of the Imperial government. We may therefore, have to consider whether it would not be to our interest to develop further the relations existing between us and the Canadian Dominion. If England is to take sugar freely from Cuba, Java, Czecho-Slovakia, or wherever outside of the Empire it may be produced, not caring what becomes of her own tropical sugar industry, our position will be a parlous one unless we can retain on the most favourable possible terms, the Canadian market.

The Port-of-Spain Gazette declares that the ruin of the West Indies apparently means nothing to the Labour government. It also advocates getting in a closer trade union with Canada. That British Guiana is also

following the lead of other colonies in resenting the course followed by the British government as regards British preference, is shown by a cablegram to London stating that elective members of the combined court are giving notice of motion to be moved at a meeting to be held during this month to reduce the colonial preference.

That Barbadoes views the action of the Imperial government with dismay is shown by the following cablegram:

> The statement of Phillip Snowden, Chancellor of the Exchequer, in the House of Commons, that under the British sugar preference West Indian sugar production had decreased has been repudiated by the Agricultural Society of Barbadoes. The society has passed a resolution stating that the decreased output has been due only to unfavourable seasons and that it views the withdrawal of the preference with great dismay.

I might also refer to a resolution along the same lines introduced in the legislature of Jamaica. These are some of the opinions expressed in the West Indies. I have before me a letter written by a very prominent citizen of Kingston, Jamaica, a friend of mine, whose opinion I value highly. He refers to the feeling in the West Indies, and says:

> The United States may never get these islands politically, but may get them by commercial conquest. I have been a resident of this island for many years, as you know, and I think I know what is going on. It makes my blood boil to see how Canada is missing her opportunity.

And I am here to-day, to ask that Canada take opportunity by the hand, when it is held out by these people. I commend your attention to these words:

> The United States may never get these islands politically, but may get them by commercial conquest.

I have in my hand a letter written to me by Mr. George Huggins, president of the Chamber of Commerce of Trinidad, and also vice-president of the Associated Boards of Trade of the West Indies. It was written from New York the other day after a visit to Ottawa when he waited upon the Prime Minister. He says:

> The interest which is being awakened in the West Indian Islands in the minds of those guiding the destinies of your great Dominion will, I am sure, bear fruit, and I urge you to keep alive the question of the visit of your public men to these islands at an early date, for I am sure that Canada as well as ourselves will benefit thereby.

Mr. MEIGHEN: Have the United States any trade agreement with the islands?

Mr. LOGAN: None whatever except with Porto Rico. Not one of their ships running to those ports is subsidized, but they have seventy live wires in these southern lands securing trade to provide cargoes for those ships, and to develop their trade; while we sit idly by with only two young men trying to look after our interests. The whole thing is ridiculous. We have a young man in Jamaica, but although I believe he is trying to do his best, he is working under most adverse conditions. The trade agent whom we sent down to Trinidad the other day is no doubt trying to do his best, but what can they do among a population of nine millions of people scattered over a number of islands, some of which are so far apart that it takes four or five days to get from one to another. We are simply playing with the situation. The United States have seventy trade agents there. We too should have trade agents in every large centre of the West Indies if we expect to build up trade. The trouble is we are spending money to provide ships, but we are forgetting to provide cargo for them, with the result that our mercantile marine is a very expensive proposition for this country.

As I said a moment ago, I advocate the cancellation of that trade agreement. There are certain to be difficulties of construction with respect to it. Why not open the door and so have Canada with a tropical as well as a temperate and a frigid zone? I think this should be the great ambition of Canadian statesmen to-day, to work along this line and make Canada really independent of the world. We only need these tropical products to place us in that position. But so long as we have to import $100,000,000 worth of tropical fruit through the United States, and lose $2,000,000 in exchange, how can we expect to become a great independent nation under the British flag.

Mr. MEIGHEN: Does the hon. member advocate political union?

Mr. LOGAN: I am very glad my right hon. friend has brought up the question. I went down to the West Indies rather inclined to favour political union; I came back with not an idea of it in my head. It would be absolutely impossible. I never found anybody in the West Indies who would listen to the proposition for a moment. I was always told: You do not understand our conditions, or you would never advocate political union. I do not now believe in political union, but I do believe in commercial union. Of course, I admit that there are two sides to this question: We might be willing for commercial union, while they might not be. That is a matter for future consideration and negotiations.

Let me point out what commercial union has meant to the United States in the acquiring of tropical islands—and this is another startling statement, perhaps the most startling of all.

According to the National City Bank Review the purchases by the United States from Porto Rico, Hawaii and the Phillipine Islands for the twenty-five years preceding possession by the United States amounted to $502,000,000, whereas the purchases from these possessions for the twenty-five years succeeding the acquisition amounted to $3,360,000,000, or an increase of $2,858,000,000. The sales from the United States to these countries during the first mentioned period amounted to $134,000,000, and the sales in the latter twenty-five year period amounted to $2,038,000,000, or an increase of $1,904,000,000, or the total trade increased during the latter over the former period by no less than the sum of $4,762,000,000.

Do you not think that this overseas tropical trade is something worth talking about and worth getting after?

Mr. LEWIS: Are the seventy trade agents from the United States government officials, or engaged by private firms?

Mr. LOGAN: They are really known as consular agents. As a matter of fact, with the usual American ingenuity for getting money out of other people, the salaries of these agents are provided largely by the fees they charge for the various duties they perform.

Mr. LEWIS: Have any of our commercial firms men representing them in those islands?

Mr. LOGAN: You find them only infrequently. I went into that matter on another occasion when I spoke on the Address in reply to the Speech from the Throne.

What the West Indian islands produce now is a mere bagatelle to what they are capable of producing, as any one will admit who has travelled over the island of Jamaica and seen how little of it is cultivated. Bananas at present are Jamaica's greatest crop. In 1923 the export of this fruit to the United Kingdom amounted to 2,758,205 stems, to the United States, 9,680,003 stems, to Canada only 1,923 stems, and to other countries 4,562 stems, or a total of 12,444,693 stems. Statistics show that we imported during 1923 through the United States, as I said before, 2,123,910 stems, and from other countries 23,212 stems. Without any question most of our importations from the United States were of Jamaican origin. Then take oranges. In 1923 we imported from the United States $5,583,844 worth, while from Jamaica the value of our imports of this fruit amounted to only $5,299. Imagine only $5,299 as compared with $5,583,844 from the United States. Oranges almost grow wild in that tropical island, and there is no better orange in the world than the Jamaica orange—I doubt if there is any as good. There would not be the slightest trouble in Jamaica supplying the whole Canadian demand. Why, then, should we import oranges from California and Florida of very much inferior quality to those which Jamaica is capable of supplying us? Away back in 1900 Jamaica exported 107,000,000 oranges, of which no less than 104,000,000 went to the United States. Orange growing was a small affair in the United States at that time. Then take grapefruit. From the United States we imported last year 18,203,134 pounds, from Jamaica—and theirs is a wonderful grapefruit—we took only 401,914 pounds, and this in spite of the fact that we give a preference on Jamaica grapefruit. But, as I said before, we lack proper transportation facilities.

The history of the trade in flour has been a very satisfactory one. In 1921 Canada supplied but 25 per cent of Jamaica's flour requirements; in 1923 that had increased to 54 per cent. We sold last year to Jamaica 199,153 barrels of 196 pounds, while the United States sold to them 173,487 barrels. Canadian flour is the favourite in those islands. Canada has always had a good market in Jamaica for dried salt and pickled fish, but she is now feeling keenly the competition of Newfoundland, with which country Jamaica enjoys a favourable trade arrangement.

Within the last few weeks, the Jamaica legislature passed, without division, a resolution advocating that Canada be again approached with a view to securing improved trade arrangements. This, in my opinion, is the proper time to approach her.

Mr. LEWIS: Could the hon. member tell us what the balance of trade is as between Canada and the West Indies?

Mr. LOGAN: I have a statement prepared by the Dominion Bureau of Statistics for the fiscal years ending March 31st, 1922, 1923 and 1924. If there is no objection I will hand the statement in so that it may be printed in Hansard, because the figures are rather interesting.

The statement referred to is as follows:

TRADE OF CANADA AND UNITED STATES WITH WEST INDIES

1. Trade of Canada with the West Indies, including British Guiana. (Years ended March 31, 1922, 1923 and 1924)

—	Imports into Canada for Consumption			Exports of Canadian Produce from Canada		
	1922	1923	1924	1922	1923	1924
	$	$	$	$	$	$
Bermuda	99,886	94,799	51,534	989,113	1,078,372	1,424,596
British Guiana	6,166,664	5,669,471	6,221,841	2,298,105	2,082,684	2,528,930
British West Indies—						
Barbadoes	2,994,559	4,117,016	7,020,415	1,377,984	1,271,950	1,619,811
Jamaica	2,215,531	4,233,195	3,289,478	2,214,164	2,805,012	3,132,042
Trinidad and Tobago	1,678,658	2,111,302	1,459,648	4,548,535	3,439,091	3,447,013
Other Br. W. Indies	1,225,025	1,962,783	2,049,750	1,829,798	2,016,792	2,702,846
Cuba	13,042,568	11,209,920	10,781,047	3,974,432	5,069,166	6,776,605
Dutch West Indies	1,505	1,552	829	45,433	60,898	29,521
French West Indies	.....	.....	.....	66,082	118,124	63,436
Hayti	42,050	234,551	161,250	71,967	214,267	401,659
Porto Rico	105	758	927	1,301,979	1,078,982	692,663
San Domingo	4,065,910	5,956,643	8,800,060	64,497	168,222	298,252
Virgin Islands of U.S	.....	106	52	2,275	2,773	2,145
Total	31,532,461	35,592,096	39,836,831	18,784,364	19,406,333	23,119,519

In addition to advocating a commercial union with the West Indies, and shipping and cold storage facilities, I want to ask that we provide certain tariff arrangements to meet the situation. The ordinary man will tell you that it is no use for any one to try to compete with the United Fruit Company of America. It is a very large and well organized institution and provides splendid facilities in connection with the carrying on of their trade. Their hotel accommodation is the very best and their ships are on all seas.

Mr. HUGHES: Where is the hotel accommodation?

Mr. LOGAN: In Jamaica, and, I think, in other places. To add to their already immense fleet they are providing this year two additional ships of 22,000 tons each to carry Jamaica produce northward. No ordinary private corporation can compete with such an organization as that. But there is what we might call a big stick in the hands of the government which cannot be used by any private corporation, that is, the tariff. A duty of about 50 cents a stem on bananas coming into this country from the United States, with free entry from the British West Indies, would provide cargoes for the ships of the Canadian Government Merchant Marine. If that was done you would find the United Fruit Company itself running ships into St. John, Halifax and Montreal in order to secure Canadian trade That is the one power that a government has that no corporation can have; and what possible harm can it do? There is no question of protection involved, because you could not grow bananas in this country, even in the Niagara belt, to say nothing of the colder sections. It is merely a question of the diversion of trade through our Canadian ports. I am confident it would also mean a lower price to the Canadian consumer because of the fact that large brokerage commissions charged in the United States would be done away with. If these tropical products could come into our country direct it would mean a great deal to our national ports; it would mean a great deal to our National Railways—and they certainly need it. To-day we have on the old Intercolonial Railway many crews lying idle—nothing to do—while over 2,000,000 bunches of bananas are being transported over American railways to different parts of Canada. Should this continue? Is our sense of national independence such that we can allow it to continue? Apparently bananas are a necessity; we must have them; why not get them direct from a country which in other ways is associated with us, and have them transported in our own steamers and over our own railways?

Mr. DUFF: What is the present duty on bananas?

Mr. LOGAN: There is no duty on bananas now. I am advocating that a duty should be placed on bananas and other fruits coming to

Canada through the United States, but that they should enter free from the West Indies.

Mr. WOODSWORTH: If we had our own cold storage facilities on our own ships would there be any necessity of a duty on fruit coming through the United States?

Mr. LOGAN: Yes, there would be, on account of the tremendous strength of the United Fruit Company, which has its organization under other names in Canada—in Montreal, and all over the country. A few years ago I am informed an effort was made to ship bananas direct from the West Indies to Canada. A large sum was invested and finally a cargo reached Montreal and the bananas were offered at a price a little less than the United Fruit Company had been charging. I am told the United Fruit Company the day before the arrival of the cargo cut the price of bananas so low that this concern was almost put in bankruptcy owing to the depreciation in price and the consequent loss of their cargo. I mention it only to show the strength of this company and to point out that if we had a tariff applying against the bringing of these goods in from the United States even the United Fruit Company would be forced to come to Canadian ports.

Mr. WOODSWORTH: Would not a government or co-operative exchange managed in close connection with our own Canadian Government Merchant Marine and our own National Railways effect the purpose?

Mr. LOGAN: No, I do not think it could possibly be effective.

Mr. STEWART (Humboldt): Does my hon. friend think that that 50 cent duty he is advocating would find its way to the consumer, having regard to the usual pyramiding that takes place?

Mr. LOGAN: In the case of bananas landed in New York there is a first charge for the New York broker, a second charge for the Canadian broker, and a third charge for the Canadian jobber and retailer, and finally the fruit gets to the consumer. Would it not be better for it to come direct to Halifax, St. John and Montreal, and in that way skip at least one broker, and have that much less pyramiding.

Mr. WOODSWORTH: Why not skip them all?

Mr. LOGAN: That is a question a little broader than the one I am discussing this afternoon.

Mr. DUFF: Products from the West Indies should be landed in Montreal by steamer as cheaply as at New York.

Mr. LOGAN: Yes.

Mr. DUFF: Then why do you want a duty of 50 cents per stem on bananas?

Mr. LOGAN: Because the organization at the present time is in the United States, and the United Fruit Company insist on bringing bananas and other fruits into American ports and over American railways.

There is another matter I would like to advocate. Our boats of the Canadian Government Merchant Marine at the present time call at very few ports. For instance, they pass by the great island Haiti and San Domingo, and by the island of Cuba, in which there is a tremendous trade. My suggestion is that in maintaining this service they should call at more places and maintain a quicker and better service. We send our ships and trade agents to the very Antipodes to create and foster trade. Why not pay a little more attention to developing our trade with these islands in the Caribbean Sea? I have in my hand a letter written by the manager of one of the leading banks in Kingston, Jamaica, in which he says:

> It seems to me that if the Dominion imposed a duty of say 50 cents per bunch on foreign bananas and bananas not entering through the ports of the Dominion, the whole or greater portion of this trade could be diverted not only from foreign vessels which transport it to foreign (United States) ports, but also to Canadian railways which now only get the shorter haul, the United States railways getting the long haul, and Canada could make out a strong case (if she did this) to increase the preference on her flour, which Jamaica now grants, from 1/— to 2/— per barrel, the effect of which undoubtedly would be to secure Canada an even greater share of the flour business of Jamaica, and it seems to me, it is very necessary for Canada to increase her sale of wheat or wheat products in countries such as Jamaica, where not only does she enjoy a preference, but where the natural conditions are such that it is not producible; especially as the United States in recent years put a tariff of 30 cents per bushel on Canadian wheat, and more recently, I think, increasing to 50 cents, so that if some such plan could be worked out in its entirety it would benefit in many ways, to summarize as follows:—
>
> (a) Extra (banana) freight for the ships of the Canadian Government Merchant Marine northbound.
> (b) Extra (flour) freight for the ships southbound.
> (c) Extra rail haulage for the Canadian railways.
> (d) Increased markets for the most important Canadian commodity which the United States are doing all they can to exclude from their market.

In conclusion, I beg to submit, in addition to the other suggestions I have made, that the Minister of Trade and Commerce and the Minister of Railways, with representatives of the Canadian Manufacturers' Association, if you like, of farmers' and producers' associations, as well as newspaper men, should visit the West Indies at the earliest possible date, and if possible go

to Brazil and Argentina as well, and become acquainted not only with the actual trade conditions and possibilities, but meet the people. It is particularly important at this crucial time in the history of the Empire that such a vist should be paid, particularly to the British West Indies, to meet our brother Britishers, hold out to them the hand of the Big Brother, and offer our assistance in developing the wonderful resources of their sun-kissed islands, where Nature dwells in her greatest fertility. From our standpoint, we need closer trade with them. The United States has under her flag Florida, the Philipine Islands, Porto Rico and Hawaii to make them independent of the world. We have under our flag Jamaica, Trinidad, Barbadoes, and the other British West Indies, with which we should at least join in the wedlock of trade. They are not only our last Tropics, but our only Tropics. This may be the last time of calling.

We must open the trade door not only for their sake but for our consumers as well. It should materially lessen the cost of tropical fruits to the people of Canada. We must provide cold storage and faster boats. We must provide better passenger accommodation. We must provide regularity of steamship service, and we should make such changes in our tariff as will bind us permanently together under the same flag,

We can afford to be generous. Quibbling over trade agreements and arguments pro and con as to whether or not we are carrying out the terms of the 1920 agreements, are having an ill effect. I am afraid we are grasping at the shadow and losing the substance. There is no question in my mind but that if matters remain as at present, the agreement will not be renewed. Let us go to them. As an instance of what can be done by personal contact, let me refer to the recent treaty made between Jamaica and Newfoundland. The Jamaican preferential tariff, which gave effect to the Canada-West Indian Trade Agreement, came into effect in April, 1922. The Jamaican tariff contains a clause stating the Colonial Legislature might, at any time, by passing a resolution, extend the preference to any part of the Empire. The Newfoundland government did not wait for Jamaica to knock at her door, but sent Sir W. F. Coaker to Jamaica to meet the legislators and business men of that island. As a result, Jamaica has extended recently to Newfoundland, the same measure of preference which is granted to Canada. The resolution, when introduced in the legislature, was passed within a very few minutes without division, although Newfoundland purchases very little of Jamaica's products but sells to Jamaica, dried and salted fish, of which Jamaicans consumed last year over 13,000,000 pounds. If Newfoundland can succeed in securing such a trade arrangement with Jamaica when she has practically nothing to give in return, surely Canada, which at present takes most of Jamaica's coffee and sugar should be able to make a satisfactory trade arrangement.

The psychological moment is here. Dissatisfaction exists in these islands. They need our assistance and we need theirs. If we desire to be a self-contained country, if we desire to look to the future with confidence that we can at all times be independent of the rest of the world, let us proceed to the best of our ability to secure a lasting trade agreement with these British brothers of ours to the south. No better use could be made of one of our Canadian Government Merchant Marine boats than to convey the ministers to these islands to meet the people there in their homes, and discuss with them these great problems, with a view to helping them and helping us to bind still closer the outlying portions of this great Empire.

Mr. GRAHAM: I think this House and the entire country are under a debt of gratitude to my hon. friend from Cumberland for bringing this matter before us in such an instructive and, I might say, so eloquent a manner. He has visited the West Indies and coupled a search for health with a search for information, and we are glad indeed that his search has been successful in both respects. We have had several conversations on this question, and I have found that my hon. friend is saturated with information that he obtained on his visit to the West Indies. In discussing this question we must bear in mind that we are not going so far afield, we are not going to strangers, we are discussing family matters so far as the British Empire is concerned. And discussing questions, with which both the West Indies and Canada have dealt on different occasions, it must be said the conditions changed so materially in trade and in the attitude of people, that I think it is very useful we should at this time ponder seriously on what the hon. member for Cumberland (Mr. Logan) has said. The situation in the British Empire, in fact all over the world is peculiar just now, and every nation is looking about for the best avenues of trade both export and import. Now, if it be possible to im-

prove conditions between two portions of the Empire, that is just as serviceable, just as useful, and just as patriotic as improving our relations with the Motherland. At the Economic conference in London the outlying dominions took very strong grounds on this point; that while we have been endeavouring, to our own advantage of course, to improve our trade relations with the Mother Country, we have, perhaps, overlooked in a measure the advantages that might be gained by improving the relations between each other. The question of better trade relations with Australia has been before the government for some time, and we hope that some result will follow those considerations and negotiations. Here we have, as the hon. member has pointed out, the very adjunct in the matter of products that Canada does not possess—that is tropical fruit. There is another gentleman whose name I should like to mention at the present juncture who has done a good deal to arouse interest in the West Indies toward better trade with Canada. I refer to Mr. J. Gill Gardner, Brockville, who is the head of a large milk condensery. He made a trip of pleasure to the West Indies, accompanied by his family, I think two or three years ago, and while there decided, like my hon. friend from Cumberland, that he would mix some business with pleasure. The result is that he has established a trade with the West Indies in condensed milk which amounts to half a million dollars a year. I shall read to the House in order to emphasize the possibilities which exists, a memorandum from Mr. Gardner, who happened to be in the building a few moments ago. It will show the importance of this matter being considered very seriously at the present time. Here is the memorandum in question:

> With reference to my former communications re Canada-Jamaica service, let me advise that we to-day received instructions by cable to ship at the rate of 100 tons (one hundred) per month to Cuba (port of Havana). There are no Canadian boats now running to Havana, which necessitates shipping via New York.

So that one of our live wires in business in Canada substantiates everything the member for Cumberland has said.

I may say that at the conference already referred to, the Prime Minister and myself met the representatives from the West Indies on several occasions. We also met the general manager of the Royal Mail Steam Packet line. I think it is not giving away any confidence to say that our fellow British subjects of the West Indies believe they are not getting the ocean service that was contemplated when the agreement was made in 1920. The question of a renewal of the subsidy to the Royal Mail Packet line was discussed quite freely with them, but one of the difficulties that arose was this: The Royal Mail Steam Packet Company desired to have a much larger subsidy than the one mentioned in the estimates of my hon. colleague to-day, and after full consideration of what ought to be done in the improvement of this service I think the Minister of Trade and Commerce did a wise thing in not encouraging the Royal Mail Packet line at this time to build new steamships in the hope or promise of an increased subsidy, but to give them a year's extension of the old contract in order that the Canadian government and parliament might have a chance to consider what was the best thing to do under the circumstances.

Now, we can do an immensely increased trade. I hope the Maritime province members will not think me unduly officious if I refer to the situation in this way: There is no question but that our eastern friends are far removed from the central markets of Canada. When they came into confederation they gave up markets closer at hand. Now they have long rail hauls, and under the cost of operation of railways now—which does not seem to be growing less—they are compelled to pay heavy freight rates on those long hauls. If the hauls were shorter the heavy rates might not be so burdensome. But with the long hauls, and comparatively little local freight to help to ameliorate the existing conditions, the Maritime provinces are not in the best state to reach by land transportation the markets in the central part of Canada. On the other hand, they have all the year round ocean transportation which is the cheapest in the world. They have at comparatively close quarters the West Indies and it is my personal opinion, with which some of them will perhaps agree, that the great development for the Maritime provinces for the moment rests not so much in long rail hauls to the central part of Canada but in the extension of trade with the West Indies which can be taken advantage of by water. Surely if that trade can be developed it will be to the advantage not only of the West Indies but of the Maritime provinces, and that means the advantage of the Dominion as a whole.

I should like, if I may be allowed, to refer again to the Economic conference and matters connected with it. When there, as I said a moment ago, the Prime Minister and my-

self had an interview with the West India people. I have outlined what their views were concerning the somewhat imperfect service that is being given under the agreement. Now, we cannot hope to even hold the trade we have for that service because the West India people are getting very anxious for a further expansion of trade and I may say this: Gentlemen who have visited the West Indies and with whom I have come in contact, informed me that the people of those islands are in the proper frame of mind now to give Canada all the benefits of a preferential tariff, or any other arrangement that can be arrived at, in order to superinduce trade with them. This is the time to endeavour to do something. Speaking of the conference we had with several gentlemen, I may say that Mr. Phillips, the manager of the Canadian National Railways in London, came to us and presented a request which is somewhat prophetic, in view of what my hon. friend has said to-day, and gave very good reasons for it. It was that the government should consider seriously, in connection with the Canadian Government Merchant Marine, the putting of ships on that line that could compete with other vessels or take charge of the trade between the West Indies and Canada both in the matter of passengers and products in cold storage. At the present time we practically have accommodation for neither on the ships of the Canadian Government Merchant Marine. True we have accommodation for comparatively few passengers. Hon. gentlemen who have travelled to the West Indies and back assure me that the accommodation is everything that could be desired, so far as accommodation could be provided on ships of that size. But in the first place they are too slow. Business moves rapidly these days. Business men cannot afford to spend weeks when days ought to suffice, on either pleasure or business trips.

As to cold storage; to provide the proper cold storage on these ships would necessitate quite a large expenditure of money, and I am not sure that parliament would be satisfied to spend very much money in order to add cold storage to the present ships, if they were not sure that that facility was going to be efficacious and provide the accommodation required. Take the request of the Royal Mail Packet line from a purely business standpoint; that company asks for an increased subsidy for the term of 10 years. Speaking roughly that amount paid to the Royal Mail Steam Packet line in the next 10 years will pay for their steamers.

[Mr. Graham.]

Mr. LOGAN: Five million dollars.

Mr. GRAHAM: It would pay for four steamers. I think the period is ten years.

Mr. LOGAN: Five hundred thousand dollars for ten years would be five million dollars.

Mr. GRAHAM: I still maintain that approximately it would build their ships. When we have a Canadian National Railway, then of course we have it. We need not argue as to how we got it; we have it and we want to do the best we can with it. It is of the utmost importance that every bit of trade the Canadian government is encouraging so far as possible, in a legitimate scheme, of course, should be handled by the Canadian National Railways, everything being equal. I discussed that point with the Royal Mail Steam Packet Company, and they hesitated, but said they always worked with the Canadian National Railways. But hon. gentlemen know there is working and working. I am inclined to think that if we determine to maintain a steamship line of our own, we could build the ship without it costing us a cent more than if we granted an enlarged subsidy to the Royal Mail Steam Packet Company.

Mr. DUFF: Sell the ships you have and buy new ones.

Mr. GRAHAM: I want to finish that sentence. I say it would not cost a cent more than it would to pay the subsidy. My hon. friend says that we should sell the old ships and build new ones. I say, "Carried; get me the purchaser." We can perhaps convert some of our ships that are of lesser use into a fund that would assist us to buy the new ones. But what I have in mind is this: If we are going to stay in the business, we have to stay in it properly. We have running to the West Indies the Canadian Pacific Railway, the Royal Mail Steam Packet line and ourselves, and we are paying the Royal Mail Steam Packet line to compete with the Canadian Pacific Railway and ourselves. That is not business. No private individual would run his affairs that way. We want to submit the proposition which the government has in its mind to the House to think over. We are of the opinion that the development of trade with the West Indies is good for Canada, good for the Empire, and good for the West Indies, and particularly good for the Maritime provinces if we can develop it.

Mr. LOGAN: And British Columbia.

Mr. GRAHAM: That is a maritime province. I mean the provinces on both seas. If that be true we believe further that there is a possibility at this present moment which perhaps never existed before of developing trade and laying the foundation for future trade for years with the British West Indies. It has been stated that the British West Indies would like to become part of Canada. At the present time I would like them to become a great part of the trade of Canada, and these things often lead to further developments. The governments proposed during the recess to make a full investigation either by their ministers or some person else, or their ministers and some person else combined, of all the possibilities of trade with the West Indies. Conditions have changed since the arrangement of 1920 was made.

Mr. MEIGHEN: What are the names of the Canadian Government Merchant Marine boats running to the West Indies?

Mr. DUFF: There are six of them.

Mr. GRAHAM: I will get the names. We believe there are possibilities of great development in the West Indies, and that now is the time to begin the realization of these possibilities. Canada, from a sentimental and national standpoint, is entitled to the trade of the West Indies, rather than that we should let the United States have it. We propose during the recess to make full investigation from a business standpoint, to endeavour to meet with the West Indian people as far as possible, and discuss with them what they think would be the best means for mutual trade improvements. If it be necessary to negotiate a new agreement there is nothing in the way, if the two of us desire to make such an arrangement, and I am inclined to think that some better provisions might be embodied in a new agreement. In the meantime we ask parliament to think seriously about what its attitude would be with all these facts in mind, in case the investigation proves what I believe it will prove, that there is a vast field for an improved trade between these two parts of the British Empire. We would ask parliament to think over the suggestion of Canada having its own ships to connect with the Canadian National Railways, improve that trade in Canada and stop altogether the payment of subsidies.

Mr. MEIGHEN: I have listened with intense interest, for the most part with approval, to all that has been said by both speakers of the afternoon. The significance of the speech just made by the Minister of Railways (Mr. Graham) will I think be apparent to all members of both parts of this House, but I wish to compliment the hon. member for Cumberland (Mr. Logan), who has brought the fervour of a crusader into union with the hard head of the business man and has presented his case with very great force and eloquence. I do not wish to enter before six o'clock into any extended comment on either speech. These speeches consist of criticism in some degree of our past relations with the West Indies, and especially as to the manner in which we have carried out the trade agreement now subsisting, and as well of suggestions as to future means of intercourse and future regulations looking to an expansion of our trade. Let me express a feeling of regret that the speech of the minister should be open to the interpretation that a great blunder was made in the style of ship constructed for the merchant marine. The minister was not fair enough to go back and view the circumstances of construction and the purposes for which the ships were built. I am not able at the moment to discuss the exact knottage per hour, the tonnage, or the cold storage and passenger facilities of the special boats running to the West Indies. Suffice it to say that all are well constructed of the kind they are, all are constructed of the design felt by our best experts to be suited for the purposes that they were then built to meet.

But I do listen with very considerable interest to the conversion to the view that now that we have National Railways, we must have a mercantile marine. It is not without some considerable consolation to me that I hear those who once reprehended viciously the building of any ships at all now reducing their allegation merely to the question of the character of ships built. All this is a step in the right direction, to use the expression of hon. gentlemen to my left. When we hear those who once said that as soon as the war was over we should have ceased building any vessels, we should have cancelled all contracts made, we should have gone out of a business in which we could not succeed, now saying that we must prepare our minds for the extension of the principle; that we must face the building of more ships of a faster and better kind, that is at least a reflection on much of the criticism that we heard during the last few years.

I am in accord with the general peer into the future which the Minister of Railways and Canals (Mr. Graham) presented this

afternoon. I am not going to say that we have vessels that will altogether meet the needs of the future. I would be very much surprised if we had. But when we have the responsibility of a 22,000 mile system of railways, we must have as a concomitant a mercantile marine, and when the time comes that we must get rid of the one, we had better prepare the way to get rid of the other too. The two must work together.

I would be sorry, indeed, if any portion of the agreement made in 1920 or any phase of it has not been implemented wholly and generously. We certainly owe it to the people of the West Indies to carry out to the full our contract. I never had heard before that the vessels allocated to that route were not vessels that lived up to the requirements which the agreement designated. Certainly, we should have vessels that live up to those requirements. My recollection was that the definitions of the agreement as to the number of knots per hour, the requirements of the vessels and the designs, were met inasmuch as the vessels applied to the route had what is called—I do not know just how this is expressed—a speed known in mercantile registers which is what is in mind in the agreement itself, and while it may be that the rate is not always that, nevertheless the capacity is there and that is the intent of the original agreement.

Mr. LOGAN: The right hon. gentleman is speaking about carrying out the agreement. In the agreement we provide for a fortnightly service to Jamaica and to Belize. I call his attention to the fact that in the report of Sir Henry Thornton, submitted the other day and incorporated in the speech of the Minister of Railways and Canals, in reference to the operation of the Canadian Government Merchant Marine last year, a service is referred to as a three-weekly service, although the agreement calls for a fortnightly service.

Mr. MEIGHEN: If such are the facts there is no excuse for their continuing at all. I cannot understand how the government could permit this country to be in default to the West Indies. We should live up to our agreement, no matter what it costs us. If we do not, we cannot expect to enter under very favourable auspices into another trade arrangement. They will not feel like depending upon us if their past experience shows that that dependence is false. I shall have something further to add after eight o'clock.

[Mr. Meighen.]

Mr. LOW: May I just remind my right hon. friend that we were in default during the time that he was leader of the government?

Mr. MEIGHEN: I am sorry if the only thing this government copies from us is our default.

Mr. GRAHAM: They could not possibly do it all.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MEIGHEN: Mr. Chairman, I had merely made some brief references to the significance of the address of the Minister of Railways, and I think its significance would fall even more heavily on the ears, for example, of the hon. member for Lunenburg (Mr. Duff); I might name many more hon. gentlemen who would receive quite a deal of enlightenment by what was foreshadowed in that speech; in fact the cup of experience of my hon. friends opposite must be getting pretty nearly full when they now must look forward to a proposal from this government for an enlargement of the Canadian Government Merchant Marine. However, any proposal of that kind will receive fair consideration at our hands. We do not believe in extensions beyond what is required for such purposes as essentially must be served while the responsibility of railway management is upon us.

The hon. member for Cumberland (Mr. Logan) proceeded to press not only for better ocean services to the West Indies but also for more effective trade regulations looking to the extension of trade with our fellow Britishers of the West Indies, and also—and this was more immediately in his mind—looking to the diversion of such trade as we have through the port of New York and over American railways to our own ports and over our own roads. I think all members will gladly get behind any proposals effective to that end. But I notice that some hon. members almost shudder when a suggestion is made, especially if it comes from across the way, that the trade regulation which would be effective in order to turn West Indian trade to our own ports, and at the same time tend to develop that trade by giving it an advantage over other trade that is not nearly so beneficial to us, would be by the imposition of tariff duties against that other trade.

Tariff regulations are like any other regulations: They can be used for more purposes than one. They can be used to provide production at home. They can be used as well to turn the direction of trade and they are just as legitimate for one purpose as for the other. All that should be before parliament is to decide whether they are effective for this purpose; whether the price is too great or is only such as is adequate for the return we expect. There are of course, some, unfortunately, who for one cause or another are ready to accept anything other than regulations by tariff. Well, for them I am afraid we cannot get the best results by any other means in the present instance.

I do not know whether a better trade agreement can be made than that which was effected in 1920. Personally I was not intimately connected with the negotiations; they were in the hands of other ministers. But as the Minister of Railways said, if anything better can be done there is nothing in the world in our way. There is nobody else concerned; nobody else has the right to interpose. It is between the West India islands and ourselves, and certainly we will all wish success to this government in any effort to improve the treaty that now obtains. For myself I think this country will be ready to go a very good length to achieve closer trade relations with any part of the British Empire, especially if those can be secured coupled with an advantage in their markets to ourselves. Then the benefit will be apparent; certainly it would be worth away above anything we would pay in the way of an imposition on these luxurious fruits coming from the United States. Yes, the tariff is effective both for home production and for the diversion of trade over home routes. They who object to it for the one end must logically, I fear, object to it for the other as well; for myself I am prepared to support it for both.

Mr. McBRIDE: During the last session I made a statement on the floor of this House that in my opinion the marine architects who drew the plans of the merchant marine did it without any practical experience in connection with freight boats. The right hon. gentleman (Mr. Meighen) makes the statement this afternoon that these architects were the best that could be got. I would like him to explain this: The Canadian Cruiser, a steamer capable of carrying 10,500 tons; crew, 39; fuel consumption, 31 tons per twenty-four hours; the Canadian Ranger, 5,100 tons; crew, 39; fuel consumption, 31 tons per twenty-four hours. One boat carries more than twice as much as the other with the same fuel consumption and the same crew. I would like this explanation.

Mr. MEIGHEN: Well, I did not know the hon. gentleman had so high an opinion of me that he considered me an expert in all fields. Very humbly I must decline the honour. I was born some two thousand miles from the water and I did not get a good start in the education of a naval architect. I presume there is some purpose in the different design for the two vessels; in fact, I know there is. What I take comfort out of now is this: That the foes of the merchant marine have seen fit to change their tack. It was not the design of the ships, it was not the fuel consumption, it was not the speed, it was not the want of cold storage, it was not the limit of passenger capacity—these were not the things that were the main objects of attack; indeed, I cannot recall that they were objects of attack at all when the programme was under way, when the full facts and particulars and details as to the ships were before parliament. No, the great blunder then was the building of any ships except for the purposes of the war. We did not need them; a terrible blunder was being made; the country was being loaded with debt—this was the tack pursued as soon as they knew the ships had to be completed. Up to that time the tack pursued was to support the whole programme, but after the programme was so far on that it had to be completed, then of course there was a reversal. Now there is a second reversal, and I must admit I am not prepared to meet this one. I will likely have to take a little time to get some reports on the vessels. May I say that I have never heard a charge of anything faulty in either the design or the workmanship of the vessels. While other countries have suffered grievously in their merchant marine construction because of both, Canada has avoided both. It may be that in the light of knowledge to-day they would be ships of different design; I have not the least doubt they would. Very often one cannot tell; even judges sometimes know a great deal more eight years after than anybody on earth knew at the time. Sometimes that is true even of naval architecture, and so for the present I must be content to rejoice exceedingly in the fact that the early complaints have been abandoned and that after great industry new complaints have had to be found.

Mr. McBRIDE: I am quite satisfied to accept the confession of the right hon. leader of the opposition that he does not know anything about steamers; I now realize he does not. But I maintain that the naval architects, who prepared the models of these

freight boats did not know their business; if they did they certainly would not have drawn the plans upon which these vessels were constructed. Is the right hon. gentleman willing to admit that contracts were let for the building of 33 boats after the war was over, some of them less than 3,000 tons?

Mr. MEIGHEN: The contracts were let for the large boats after the war was over, on the unanimous authorization of parliament in the spring of 1919.

Mr. KELLNER: Was the first series of charges to which the right hon. gentleman refers proved, or were they simply abandoned?

Mr. MEIGHEN: No, they have not been abandoned, apparently. How can the enterprise itself be attacked when they now propose to expand it?

Mr. BALDWIN: Since I have sat in this House I have advocated closer trade relations with the West Indies. It was a source of great encouragement this afternoon to see four hon. members on their feet at once in their desire to speak on the subject following the remarks of the hon. member for Cumberland (Mr. Logan) who so ably and enthusiastically handled the question. When I very humbly presented my views the first year I sat in parliament the only one who gave me any sympathy was Mr. F. H. Keefer, who had been in the West Indies, as the hon. member for Cumberland has been. I went over and interviewed him upon his return, and I must say that I have not yet met a person who has been in the West Indies who was not impressed with their wonderful trade possibilities.

It has been said this afternoon that this is the accepted time and the day of salvation. In olden times we used to say "Educate, legislate, eradicate." We hope in this case the great word will be consummate. There is no other territory that this great and glorious Dominion of ours can look to for a tropical trade except the West Indies. It is our last opportunity to develop trade with a country that has a tropical climate. I must confess that my ardour had been dampened somewhat by the way in which the House used to treat this question. I have advocated closer trade relations with the West Indies in railway trains and hotel rotundas, lobbies and wherever I have been. I have urged Canadians, when they want to go to a sunny clime, to go to the West Indies instead of to California or to the Atlantic states. I have met with success in my efforts in that direction only so far as my own family is concerned, and when they returned they have always had more to say for the West Indies than they ever had to say for California and other parts of the United States they had visited. We should get to know these people of the West Indies, and incidentally make money by trading with them. I am sure that Canada would be proud of any closer relations that developed with the West Indies. Harry Crow, a strong political unionist, has exhausted his strength and resources in writing booklets and sending pamphlets from one end of this country to the other. I also have the pleasure of taking the Cuban-Canadian Magazine and reading it occasionally, I have seen what the great Macauley of the Sun Life Insurance Company has to say. He does not believe in political union, but in commercial union. I am a political unionist—

Mr. MARTELL: I thought you were a church unionist.

Mr. BALDWIN: I am emphatically a church unionist, I am also a political unionist and that embraces commercial union. I was very glad to see the hon. member for Cumberland (Mr. Logan) supported in his remarks, not only on this side of the House, but by the right hon. leader of the opposition. I hope this will not be made a party question at all. It concerns the future of all Canada, and we should be a unit in doing what we can to help this country become what we hope to see it some day. Take any large development, the Hydro Electric, for instance; there is always a stage in its development when by the building of a small dam you could starve the enterprise of its power, and we have to go in for the thing largely, issue large credits and secure all the riparian and other rights to make the thing a success, and that takes the credit of the country. I would be willing to see this country extend her credit to bring West Indian trade.

How ridiculous it is that the United Fruit Company of the United States should be able to go down there and control these people! The hon. member for Cumberland has spoken of that cargo of bananas that was shipped to Montreal recently. The United Fruit Company got ahead with a trainload of bananas, and sold them so cheap that when the cargo arrived the people interested in the cargo lost money. Thirty-five years ago, and prior to that, Montreal was the greatest fruit market on the continent for a few months of the year. Fruit dealers came up here from

New Orleans and bought their fruit at auction on the open market in Montreal. These auctions lasted for weeks and weeks just after navigation opened. The great family of Vipond and other wealthy Montreal families all had connections in Kingston, Jamaica, and they have struggled in the face of adversity to build up a big trade. It only takes a few recurrences of such a thing as my hon. friend from Cumberland described to destroy a business of that kind, and the Viponds went on until their resources were exhausted. The last time I talked with the dear old man he had just returned from Kingston. They have lost their money through the great nation to the south getting control.

We have good reason for treating the people of the West Indies well. Owing to the grand banking system we have in this country we have branches of our banks down there. We have also a merchant marine of 28 boats. I do not propose to go into that question to-night—neither to defend nor assail our merchant marine—but I say that we should live up to our agreements, whether of 1920, or prior to that or since, and all unite to develop our trade with these islands. I believe we have won the hearts of these people already. They do not like the tactics of the United States. In British Honduras the people were encouraged to grow bananas, and when the fruit was ready they called on the American boats, and the answer they received was: "Who told you to raise bananas?" and those bananas rotted where they grew.

Fruit is a household necessity in Canada, and we cannot produce fruit ourselves except during a few months of the year. Happily the fruit that we raise they do not raise, but for six months they can supply us with all the fruit and garden produce we need in this country. On the other hand, they want our manufactured goods, our flour, and other commodities. One country is the complement of the other in that respect. Nobody thought forty years ago that California and Washington would be raising the products they are to-day, but when they found they had the same soil and climate as the eastern Mediterranean country they started in to experiment, and now we all know what they can do. There will have to be, in my opinion, free trade with these islands, and high protection for a while against the United States. I do not feel that will antagonize the feelings of our Progressive friends, because it will mean that we shall get the products of those islands here more cheaply than we are getting them now. That is the idea. You can go down the street now and buy bananas for 15 to 30 cents a dozen. Why? Because the United Fruit Company cut the price for the time being. Do you think that company will bring up any more cargoes to Montreal after the experience they have had? Not on your life! It is beneath our dignity to acknowledge that we are too effeminate, too sissified, and too pussy-footed to stand on our own feet.

More than half a century has elapsed since confederation and if we are so effeminate as to allow the conditions to prevail to which I have alluded I am very sorry. Now, I am just as ardently desirous of bringing Newfoundland into confederation as anyone could be. But for the unwillingness of the government of the late Sir Mackenzie Bowell to incur an obligation of $8,000,000 the union of Newfoundland with Canada would have been accomplished long ago. And that money even if it had been $18,000,000 would not have been thrown away. There would have been a return to Canada of far more than any such sum had Newfoundland entered confederation. The same thing can be said of any expenditure which may be necessary to bring about a closer union between Canada and the West Indies. The United States knows the value of the West Indian islands, and I am convinced that she would cancel Britain's entire debt to her if she could secure possession of those islands. If they became the property of the United States we should be at the mercy of that country in the matter of tropical products which are now so largely consumed in this Dominion. I believe that even cotton can be raised in the West Indian islands. Think what an advantage it would be to have a supply of this raw material in a British possession quite near our own doors. On one occasion I was visiting a town in my own county and spoke of the desirability of our having possession of the West Indies. This expression of opinion evoked from a most influential man, the publisher of a newspaper, the remark "What do we want of 15,000,000 niggers?" This indicates how little is known in Canada about conditions in the West Indies. As a matter of fact the entire population there is not one-fifth of 15,000,000. It seems to me that we spend too much time here in cavilling over petty questions to the neglect of really important issues. For my part I am most optimistic over the trade possibilities between Canada and the West Indies.

Mr. EVANS: I think the leader of the opposition must have been referring to me, as well as to others, when he said that

some of us were quaking at the mention of free trade.

Mr. MEIGHEN: No, at the mention of the tariff.

Mr. EVANS: I listened with great interest to the speeches this afternoon, more particularly to the address of the hon. member for Cumberland (Mr. Logan). To tell the truth the hon. member has given us considerable food for thought. Basing his argument on the ground of patriotism and of Empire interest, indeed of national interest, he has seemingly made out a pretty good case. Equally with the hon. member I should like to see a line of our own boats in the service between Canada and the West Indies, but it would seem that the vessels of the Canadian Government Merchant Marine are not at all suited to the carrying of Canadian commerce. We were told last year that these ships could not be used in the Canadian cattle trade on the Atlantic because they were too small and otherwise not adapted for the purpose. Neither could they be used in the carrying trade on the Great Lakes because they were not suitable as grain boats. I hope the men who designed these ships for the Canadian government will not design any more vessels should we see fit to enlarge the present merchant marine. Finally the discussion to-day proved that the vessels referred to are not suitable for the West Indian trade. I think the advisers of the government at the time they were constructed certainly meant these boats to be a failure. Perhaps they were more interested in private ownership than in national ownership. If so that would partly account for the peculiarity of the design of these vessels.

While we would like to trade with the West Indies we have a great deal to consider before we build and equip the needed vessels, or otherwise foster trade through artificial means, even with that part of the Empire. I have yet to find out where any nationally subsidized lines of vessels have been a success. There was a time during the last century when the United States planned to drive British shipping off the seas, and heavily subsidized vessels of their own. To-day the British merchant marine still holds its place on the seas. Britain's maritime trade has been constantly increasing ever since the war, and it will not be long until the Mother Country regains her former place in the carrying trade of the world.

We might naturally expect that a trade of considerable extent would naturally develop between the West Indies and the eastern part of Canada. But it is very doubtful if sufficient trade, say to provide the rest of Canada with tropical products, could be successfully carried on through Canadian Atlantic ports. Even to put bananas coming from the West Indies on the free list, and to impose a trade penalty against the Americans, would be futile; the ports of the Maritime provinces are too far away from that part of Canada where the greatest market for tropical products exists. I refer to the grain belt of the three prairie provinces. It is a futile argument to advance that because we have the National Railways on our hands, running from Halifax to Vancouver, these railways must get this traffic, when it is economically impossible to land those tropical products where they are needed in the Dominion, even with a heavy trade penalty against competitors. The distance from the ports of entry to the place of consumption is too great.

Let us for a moment take a look at the contour of the Dominion and the position of the West Indian islands. A good part of those islands are just about as near to Vancouver as they are to Halifax, with a fine navigable route at their disposal. When you land the products referred to at Vancouver you are over eleven hundred miles nearer the great grain belt of western Canada, the section where those products are really needed than is the case when importation takes place at Halifax. If the Hudson Bay railway were completed it would enable us to land these products in the very heart of Canada, near the place where they are mostly needed, with half the rail haul, even from Vancouver. The Hudson Bay railway would facilitate trade between Canada and the rest of the world, as no other expenditure of a like sum would do in any other way. The ports on that great inland sea should be developed, in preference to subsidizing a line of boats to carry on an artificially established trade between any part of the world and those ports. This country should develop her natural channels of trade, rather than spend money to artificially develop ports that entail a land haul too great to be of any advantage. The experience in the past shows that it is a very serious matter to attempt to turn trade out of its natural channels.

We have on our hands to-day a railway problem of tremendous magnitude because of the fallacious policy that was insisted on years ago of keeping our trade going East and West. Sentiment and privilege have played too great a part so far in the development of this country, and it has proved too costly. The right hon. leader of the opposition (Mr. Meighen) says that we are afraid

of imposing a tariff. He says that a tariff can be used for several purposes, but he did not say that giving a monopoly to any one concern means a price for the protected product that would absorb the profit of the competitor with the duty added. I would like to see free trade with all parts of the Empire in particular, but when we think of developing that trade through ports which are bound to prove economically unsuitable, I think we should hesitate before making such a move.

Mr. CHURCH: The question before the House is an item of $340,000 to subsidize the services between Canada and the West Indies and South America. I may say that since this principle of subsidizing mail service came into force many years ago the whole question of water-borne traffic has been revolutionized. In looking over these subventions and mail subsidies, I notice that some of them are granted from the opening of navigation to the close. Others are by contract with privately owned companies. Some of them are simply for a subsidy to the company and the company allows the government to regulate rates, carry the mail free and grants other concessions. In regard to this whole vote, I think the time has come for a change. Hon. gentlemen will notice that the amount is exactly the same as last year, $340,000 although the rates have been reduced. The operations of the boats have been curtailed, and many other matters that enter into and regulate ocean rates must be considered. The people of Canada have the key in their own hands. The principle of subsidizing these services was adopted by the government many years ago, and water-borne traffic was very largely assisted. In those days Canada did not have any National Railways, ocean services, merchant marine, or lake service. We did not have many other services which the National Railways provide to-day. The only nationally owned railway was the Intercolonial.

If you are going to adopt the principle of subsidizing the services to the West Indies and South America for the benefit of the people and parts of the Maritime provinces the system should be extended to the head of the lakes, in my opinion, because it has been shown by the evidence taken before the commission recently that there is a lake shipping combine on the lakes and an ocean shipping combine on the ocean. The Minister of Railways (Mr. Graham) spoke of the merchant marine "sitting in" with the railways in fixing rates. What have we on the Atlantic seaboard to-day? We have a combine not only in the United States but in Canada as to ocean services which combine is in league with the railways, and this combine keeps up the rates. The members of the combine sit around the table and determine what the rates shall be. Have hon. members ever considered if any money is thrown away in the subventions granted to these steamship services? There is a combine in the steamship service in Ontario and at the head of the lakes, and the monopoly has frozen out all competition in water-borne traffic. Canada has expended on railways, according to the figures submitted to the House by the hon. member for St. Lawrence-St. George (Mr. Marler) in his speech on the budget, two billion dollars, whereas little or nothing has been expended on facilities for the carriage of water-borne traffic. This item of $340,000 is five per cent on $6,400,000 of capital, and here we are asked to grant a subsidy of $340,000. I agree with a great deal of what the hon. member for Cumberland (Mr. Logan) said this afternoon. We frequently hear the plea "give the Canadian National Railways a chance" but we hardly ever hear any one say "give the merchant marine a chance." It would be far better if you gave the merchant marine a show, and you would not have to grant subsidies for this mail service. Why can the merchant marine not perform the functions which these boats perform? If hon. gentlemen will look into the history of the Canadian Government Merchant Marine, they will see that it was the intention of the government that they should perform services for the Trade and Commerce department in conjunction with the railways, and in that way effect considerable economy. If hon. gentlemen look over the statement of the Canadian Government Merchant Marine on the Atlantic seaboard they will find that there is a deficit to-day, according to the last statement, of $9,368,000, of all charges including depreciation and interest. The report states:

> The main reasons for the decrease in operating deficit were the cancellation of South American, Mediterranean and certain other unremunerative services, also the curtailment as far as possible of general expenses.

The report further says:

> Generally speaking full cargoes on outward trips were secured, but satisfactory cargoes were not obtainable for homeward trips, which naturally increased operating expenses out of all proportion to operating revenues.

Then it is stated that the department should take over some of the Canadian Government Merchant Marine boats and operate them to the West Indies and South America. If that were done we could rebuild a great many of the ships that are sailing to many ports of the

world to-day but which are not making enough on inward bound traffic to pay their way. They say we should rebuild these ships and also build additional ships; that we should follow the same line of campaign as we pursue in regard to the railway service—build faster ships which would carry passengers and which would be provided with cold storage facilities and up-to-date equipment. If the government would take over this line, and operate the boats all the year round, I am satisfied they would make a handsome profit. What has been the history of ocean traffic the world over? Where you have a volume of traffic, the bigger the ships, the larger the business in passengers, freight and everything else.

I agree with what the hon. member for Cumberland said to-day. I think he is to be congratulated on giving the committee so much information in regard to this important problem. Duplication is going on between privately owned ships and the government service. In the case of the West Indies the passenger service by the merchant marine is as follows according to page 10 of the merchant marine report:

> In accordance with the trade agreement consummated during the year with the British West Indies, two of your vessels, the Canadian Fisher and Canadian Forester of 5,100 tons each, have been fitted with passenger accommodation, and a regular service every three weeks is being established between Canada and the Bahamas, Jamaica and British Honduras. While the boats now in commission only carry 26 cabin passengers, the accommodation provided is of such excellent character that they should attract a full passenger list for each sailing. It is hoped that the regularity of the service will build up a fine freight business in the interchange of the products of these islands and Canada. The first vessel sailed from Halifax on January 25, 1921, with a full complement of passengers and a cargo of flour, potatoes, oats, cement and general merchandise.
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> It must be remembered in connection with this service that the Canadian Government Merchant Marine are pioneers in opening up a new route with a view to developing and extending Canada's trade. As it has been the practice of many governments to supplement the earnings of companies engaged in this work, and as steamship subsidies are paid by the Dominion government for services that are much more remunerative than this West Indies service, it would only be reasonable that your company should be guaranteed against loss when engaged, as in this case, in opening up a new route at the request of the government.

The report refers also to the freight service and return cargoes to South America. It states that all of the above are freight services and that the vessels on the Nassau, Kingston and Belize service have some passenger accommodation. It also states that regular cargo services are now established to points in the United Kingdom, to Australia and New Zealand, to the West Indies and to South America. I do not believe they have had a proper chance or can have a proper chance on account of the way in which they have been operated. If we expand the services and build some new fast steamships to take care of this traffic between Canada and the West Indies and South America as the Americans are doing to-day, that would be a good thing for the Maritime provinces and for the merchant marine and would act as a feeder for the National Railways. I admire the people of the United States. They have been rebuilding their merchant marine; they have been going out to the West Indies, down to South America and upon the seven seas, and to-day they are securing the trade. I should like to read from the National City Banks' Trade Bulletin of recent date to show the way in which the United States' merchant marine to-day are working in conjunction with a great steam railway on the Atlantic seaboard in order to secure the trade for the United States. I will give the committee a comparison between the years 1913 and 1922, the last year of record, of the business done between the United States and the West Indies and South America, showing how trade has doubled. Argentina took 33 per cent of her total imports from the United States in 1920 as against 15 per cent in 1913. Brazil took 16 per cent of her total imports from the United States in 1913. In 1921 that had increased to 32 per cent. Chile in 1913 took 17 per cent from the United States. This increased to 32 per cent in 1923. Peru in 1913 took 28 per cent. This increased to 55 per cent in 1923. The same is true all the way down. The same is the case in connection with the West Indies. The United States has come out of the war with a great merchant marine. It is going out not only to the West Indies and South America, but to the seven seas of the world with its merchant marine and getting the trade. There is a field on the ocean and in the West Indies as yet unexplored for the Canadian National Railways if they get proper, up-to-date ocean and lake services, not only to take care of the traffic which offers but to provide feeders for the railway in the same way as the United states merchant marine is building up the railways of that country.

9 p.m.

There is also the question of the control of rates to be considered in connection with this vote. The minister has, I understand, in exchange for the subsidies the power to regulate the rates, and the boats carry the mails free. That principle of control should be extended at the head of the lakes. The

abuse of the whole subsidy principle has been dealt with very elaborately in the lake shipping inquiry report and in the ocean shipping inquiry report. You have just to read those reports from cover to cover to see how the subsidy principle has been abused in the past, how the ships to-day are not earning the subsidies which they are being given and how some new system should be established by the department involving the utilization of government-owned ships. When I drew this matter to the attention of the minister last session, he said that there was a good deal of argument in it. I contend that these subsidies should be extended to the lakes as well where there is also some need of assistance and where there is a combine. The great regulator of rail rates is water-borne traffic. The only competition the railways have to-day is the ocean service and the lake service, and now that these ocean services and lake services are in a combine, there is no competition at all. On the north shore of lake Ontario from Hamilton down to Belleville and with regard to towns on the St. Lawrence river, there is a monopoly and the boats can charge whatever rates they like. They are under the control of nobody and this is an abuse which should be remedied. These subsidies are mainly under contract; the contracts also vary and there should be a standard form of government contract. I do not believe there is a standard form of contract because some are for one period of time and some for another. Some carry the mails free. Some contracts have government regulation of rates and some have not.

It would be a good policy for the Minister of Railways and Canals to bring down a vote in this House so as to have a proper lake and ocean service from the merchant marine and thus aid as a feeder the National Railways. It would be a bright day for the Maritime provinces if such a state of affairs were brought about. What is the object of spending all this money on harbours for the Maritime provinces if these merchant marine ships are to be sold? What is to become of the Canadian National Railways without up-to-date ocean services? Let us see what the Canadian Pacific, the competitor of the National Railways are doing. They started as a railway. They spread to ocean services, lake services, hotel services, land services, and to-day they are a great railway paying dividends to 140,000 shareholders in connection with services established on ocean and on land. To-day they are a success. Parliament is voting $28,000,000 for branch lines; we have spent nearly $2,000,000,000 on railway land services, and we have spent little or nothing on ocean services. How can these all be a success if they are half starved? Some of these boats are old boats, not properly fitted out. They should be re-built, some for ocean services and some for lake services. There should be cold storage facilities on the lake and ocean boats, and they should be able to take care of fast passenger, package freight and express business. In that way you can build up the ports of St. John and Halifax and all the other ports on the gulf and seaboard. Let us take a leaf out of the book of the United States, where the people have done something to capture the balance of trade of the West Indies and South America. We pay subsidies for the carriage of mail and package freight, but I think this policy has outlived its usefulness, and the sooner the government realize that every up-to-date railway system must have proper ocean services on the Atlantic seaboard, on the gulf and on the lakes the better it will be for the revenues of our National Railways. Ocean rates are now under the control of nobody apparently. I do urge on the minister to have a proper survey made to see whether something cannot be done to rebuild, extend and broaden out our Canadian Government Merchant Marine and put it in a condition to be of real service to the country. Some of our boats can be rebuilt and made available for the traffic which we are now subsidizing. When we look over the list we are told that one boat is not fitted for this traffic, another is not fitted for that traffic—in a word we find that they are fitted neither for mail nor package freight traffic. Who is to blame for building ships of that class, what, if anything, are they fit for? I repeat, we should have a survey made, and whatever boats are not suitable should be altered and made available for the mail service and general freight purposes on lake and ocean for which we are now subsidizing private companies to the extent of $340,000, for the West Indian and South American route alone.

Why should our boats be put on routes all over the world which do not give an adequate return cargo? In the last ten or fifteen years to my own knowledge there has been an elaborate West Indies and South America exhibit at our Canadian National Exhibition to show the people of Canada what the West Indies and South America produce and how we can expand our trade with our fellow Britishers in the West Indies and with

the people of the Latin republics to the south. Once we solve our problem of ocean transportation, as the American people have done, we shall get some return for the money we have spent on our mercantile marine, and I am confident that a proper survey will prove that some of these boats can be rebuilt and made available for the traffic which we now attempt to encourage by subsidies. We should build some new fast ships as well. Let the minister come down with a large vote for the purpose, and I think he will get support from both sides of the House. The question of West Indian trade has vast possibilities if the opportunity is properly taken advantage of.

Mr. HUGHES: Mr. Chairman, the development of our trade with the West Indian islands is the most important question from the Maritime standpoint that can be discussed this session. In fact, I would not be exaggerating if I said that the solution of this problem is almost vital to the provinces down by the sea. Owing to certain reasons, which I need not state, the Maritime provinces are shut off from trade with our neighbours to the south except to a very limited extent. The only countries we can trade are with the West Indian islands and Great Britain; we cannot trade with central Canada except in a one-sided way. The hon. member for Cumberland (Mr. Logan) has so well covered the ground that very little more need be said. My remarks will apply to the Maritime provinces generally and to Prince Edward Island in particular.

The farmers in central Canada can supply, and more than supply, the food requirements of the cities in these parts, and no matter what the freight rates may be we cannot enter this market to any considerable extent. In fact the farmers of this part of the Dominion and farther west enter the small market that we have in St. John, Halifax and the Sydneys and compete with us. Now, the West Indian islands lie close to us as far as transportation rates are concerned, for water-borne commerce is the cheapest in the world. They require nearly everything that we produce, except, I presume, coal; our butter, our cheese, our eggs, our fish, our hay, our grain, our potatoes, our lumber find a market there; and in turn we want what they produce. Therefore the trade seems to be a natural exchange, and anything that can be done to foster and develop it will enure to the advantage of both countries. For the reasons that I have mentioned confederation has never been, and never can be, of any advantage to the Maritime provinces and unless we can get compensation by developing our trade with the West Indian islands, we obtain no return for our contribution to the general fund.

These are the reasons why the provinces by the sea have not progressed with the rest of Canada. We have many natural resources; our people are industrious and they compare in intelligence, I think, with the people of other parts of Canada. But we are handicapped by our geographical position. We can never be a manufacturing centre and compete with the manufacturers in this part of Canada, because our power would be derived from coal, which cannot compete in price with the electric power developed from the immense water powers of Ontario and Quebec. The extent to which cheap electric power can be developed in those two provinces gives them an advantage that no other part of Canada possesses, except, perhaps, British Columbia, and it is an advantage which, I should think, ought to enable them to meet all reasonable competition without their asking for any considerable aid through a tariff. With these great natural advantages, Ontario and Quebec ought to be in a fair way to meet the competition of the world. So it is vital to us, if we are to maintain our place at all, that this West India market shall be developed. I was more than pleased this afternoon to hear the Minister of Railways say that the matter was receiving the serious attention of the government and that the business men of the Maritime provinces would be called into consultation with the government and the officials of the department to devise the best methods that could be followed. That is certainly the proper course to pursue and it will necessarily bring results.

Just a word in regard to trade commissioners, a matter which was referred to by the hon. member for Cumberland. From a question asked by an hon. member on the other side I gathered that he thought the government should not incur the expense of sending trade commissioners there, but that the cost of anything in that line should be borne by the people engaged in the trade. There may be something to be said for that, but in the initial stages I think the government would have to send some trade commissioners. This, however, is the point I make, and I think it will appeal to every member of the committee: if we send trade commissioners at all they ought to be the most suitable men for that purpose who can be found. There is very little use in sending young, inexperienced men to those places. Whatever professional men or men trained in the law

may think of it, no business man would entertain the idea for a moment no matter how intelligent they may be, these young men have not had the experience, and nothing can take the place of experience in trade matters. The very best trade commissioners would be men who have actually been engaged for some years in the business of import and export, men who have traded with these islands, men who naturally know the business and have had the experience. It does not matter how old they are; the older the better, provided they are active and able to do their work. If the Civil Service Act will not permit that to be done, I should think parliament would be willing to pass a measure giving to the Department of Trade and Commerce the right to appoint trade commissioners. When Mr. Breadner, a former member of the staff of the Customs department, was some years ago placed at the head of the Income Tax branch, being a practical man he stipulated that he be allowed to appoint his own men, and parliament gave him that power. He wanted practical men in that service and he determined that if they were to be appointed by the Civil Service Commission he would not take charge of that department. Of course the Civil Service Commission do not appoint the officials of the railways or of the merchant marine. In saying this I make no reflection whatever on the Civil Service Commission; very likely they are able to select suitable men for some branches of the service where education and intelligence are the chief requirements and where technical experience does not count for so much. But in this branch of the service nothing will take the place of actual practical experience, and every business man in Canada, I think, will endorse that statement. This matter is of great importance, and I am sure that the House would be willing to make any change by way of enactment that might be necessary to bring about the desired end in this respect.

There is little more to be added to the very able presentation of the case by the hon. member for Cumberland and to the really pregnant statement made by the Minister of Railways. I think the views which I have presented are in accordance with the business view, and I trust that the matter will not be allowed to rest but that it will be taken up and proceeded with in order to obtain results quickly.

Mr. MACLEAN (York): I had not the advantage of being in the House this afternoon while the discussion was on, but I have heard some of it to-night and I have also heard references made to what was said this afternoon. I know of no question of greater importance to the people of Canada than the extension of its services by sea for the expansion of our trade. The greatest example of success in the way of transportation in the world to-day is found in the National Railways owned by the people of Canada. There is nothing like it in the way of solving the transportation problem. The question of profits for shareholders has been eliminated and the whole problem has resolved itself into an attempt to give service at cost and to expand that service wherever possible. We do not quite realize here how successful that has been. It has made the rival of the Canadian National lines, the Canadian Pacific, see they are up against something they never thought would happen. They thought the old Intercolonial was to continue; they thought the old Grand Trunk was to continue; they thought that all the privately owned roads we had in this country would continue, and that they would have an easy chance perhaps to beat them out. But the amalgamation of these roads and the success of the Canadian National Railway has put the Canadian Pacific up on its toes.

Now, if we have succeeded, and we have succeeded, in connection with the Canadian National Railways, why should we not begin to apply that same principle to the handling of lake and ocean services? Why not expand the principle of public ownership a little, and let the management of the Canadian National Railways have in their charge transportation by water, whether by lake or by sea, as well as transportation by rail? If we did that we would then have a service by rail, a sea service, and a lake service, the whole underlying principle of which would be service at cost, service without profit for the shareholders. That principle has proven so successful in connection with our railway that there should be no doubt of the success of its application to water transportation, either by lake or by sea. I would be prepared to do this, although I know the Canadian Pacific would not accept it: I think the Canadian Pacific might well consider whether the time had not come for them to consolidate perhaps in some way with the Canadian National Railway as far as railway transportation is concerned, and perhaps they would turn over their lake and sea service to a national transportation organization which would apply not only to land traffic but to water traffic as well. That may be rather an advanced idea to sug-

gest, but something like that has to be worked out.

If you read the papers as I have been reading them the last few days, you will see that the greatest monopoly that exists to-day is the combination that exists in lake and sea traffic. The whole of our lake traffic is controlled by one company, and the sea traffic is largely controlled by combines. If you want evidence of this take up one of the Winnipeg papers of this week, in which the farmers are told that it will be necessary for the government of this country to take up the question of ocean transportation. The farmers of the West can raise any amount of live stock now, and they could supply the whole meat requirements of a large proportion of Europe if they could only get low transportation rates by sea; but they cannot get them. As was pointed out by the Winnipeg Free Press this week, it costs $20 to transport a live bullock from an Atlantic port to a British port. There is no reason why Canada should not engage in sea traffic in the same way that she has in railway traffic, and get a few vessels to begin with to transport the live stock products of the Canadian West across the ocean. I am sure they would be able to bring the rate down from $20 to $10, and make money at that rate. But this frightful combination to keep up rates by sea rules the whole business, and has destroyed the prospects of the people of the west, and I would ask my Progressive friends to urge upon the government that they should take up this question.

We must go a step further in dealing with transportation than we have gone already. We must go to the point of dealing with transportation by sea, and if we do that and combine our public ownership of water transportation with our public ownership of land transportation, we will begin to get the leadership in the commerce of the world. There is more hope of that in combining those services than in anything else. We cannot do it in a one-sided way; we must take the two together, land and water transportation. We have to solve the question of transportation as it is applied to the sea as well as to the land, and if we do that we will make some headway, and hold out some hope of improving conditions in the Maritime provinces. There is no reason why we should not, at a very small expense, employ the organization of the Canadian National railways to develop transportation by water, by a line of boats owned by Canada and running to the West Indies, to South America, and across the Atlantic, going into the business in a small way to start with, in connection with transporting Canadian farm products, including live stock. I would trust Sir Henry Thornton to-morrow with ten million dollars, if he wanted it, to start a fleet of boats in connection with the Canadian National Railways, to run to the West Indies, to South America, and to give a service on the Atlantic ocean, a freight service to begin with, and especially for live stock. I have no doubt that if that experiment were made, we should make good. It would have to be tested by the cold facts. I was glad to hear the Minister of Railways hold out this afternoon some encouragement of an effort in that direction. You have to try it out, and my friends from the Maritime provinces and hon. members from the west are in a position to demand from the government that this be done.

The management of the Canadian National Railways has been so successful that it has carried consternation into the minds of railway owners all over the world. The Canadian people are behind the Canadian National Railways in the matter of train service; they have no doubt now as to the future; they know that there are Canadians who can run a railway successfully. The Canadian Pacific can do it, and so can the people who run the Canadian National Railways. The railways have made good, and I suggest to the members from the Maritime provinces and the members from the West that they get together and make it part of their programme right here and now that the National Railways shall be authorized to go into transportation by sea, in a small way to begin with, which will develop the ports and trade of the Maritime provinces, and help the farmers of the West by giving them cheap transportation for their grain, and especially for their cattle. If they do that, we will be in a position to show that Canada has solved the transportation problem in a way that no one else has solved it, by the application of public ownership to a combination of transportation by rail and by sea. That is what the transportation profiteers to-day are afraid of. They want to keep these things in private hands, and they have it in private hands in the matter of sea transportation, which is the greatest monopoly in the world to-day. There is nothing like it; the richest men and the richest combinations in the world to-day are those that control transportation by sea, and the way for Canada to develop and expand her trade is to follow the example we have in the Canadian National Railways and go into the business of transportation by sea on a small scale to begin with. Let us

build up our trade with the West Indies and South America, and let Canada go into that business herself, and I believe she will make a profit out of it almost from the day she begins the service.

So I make that suggestion to my hon. friends from the East and to my hon. friends from the West. And, as the hon. member for North Toronto (Mr. Church) said, there is no reason why the same thing should not be applied to the Great Lakes, to the inland navigation of Canada. If we succeed in that respect on the Atlantic we can do it on the Pacific, and we can make a great, new departure before the world towards solving the transportation problem by taking the matter up in these broader senses—in the sense of navigation, and in the sense of railway service. In that way we can give an example to the world. And, as a matter of fact, we are already doing that as far as the railroads are concerned. There is nothing which is impressing the world so much to-day—not only the people in the States and in portions of Europe but in the Motherland where it is regarded with especial interest—as the success Canada is now making of her national railways. That being the case let us try to expand that transportation service by applying it to navigation as well as to railways.

Mr. DUFF: I am sure we have all been very much interested in the discussion which has so far taken place on this item. I think I may say we are particularly pleased and grateful to the hon. member for Cumberland (Mr. Logan) for the very excellent speech which he made this afternoon, and which contained so many facts with regard to our trade with the West Indies and the possible development of that commerce. Perhaps, if we needed a title for this discussion we might select "Yes, we have no bananas" because the talk centred a great deal around that very important fruit. There is no question but that the development of trade with the West Indies is of very great importance for the whole of the Dominion and especially for the Maritime provinces. Personally I am willing to do everything that is possible in order to cultivate and develop that trade. But, Sir, before we discuss the advisability of the government spending millions, and perhaps hundreds of millions of dollars in order to build up a government merchant marine to carry our products to the West Indies and bring the products of those islands back to Canada, we ought to go into the matter a little more carefully than has been done, perhaps, by some of the speakers hitherto. There is no question but that the transportation problem is a very important one and when the hon. member (Mr. Maclean) says this government should launch upon a policy of building ships to engage in the transportation business it seems to me we should pause and consider the subject very carefully.

Now, what are the facts? The discussion has taken place upon a vote of $340,000 which has been granted for a number of years either to the Royal Mail Packet Company, or some other concern, to operate a line of steamships between Halifax and West Indian ports. It is undoubtedly true that if we can save this money it will be in the interests of Canada but the real question is this: Shall we save money by refusing this subsidy to the Royal Mail Packet Company and by entering upon a policy of building and operating ships by the government? It seems to me that after our experience during the past seven or eight years we should look at the statements which have been issued by the Canadian Government Merchant Marine before we go ahead and build more ships for that service. As a result of the cost and operations of the Canadian Government Merchant Marine we have lost something like $90,000,000 and have not even saved the subsidy of $340,000 which is paid to the Royal Mail Packet Company.

Mr. MACLEAN (York): That money was not spent for the improvement of transportation.

Mr. DUFF: What was it spent for then?

Mr. HOCKEN: For the relief of unemployment largely.

Mr. MACLEAN (York): And to provide vessels to meet a war emergency. It has not, however, provided a solution for the problem before the House. What I advanced was something different from that.

Mr. DUFF: I do not see what my hon. friend's question has to do with what I am saying. I am not explaining why these ships were built. I am saying that in view of the fact that the country has lost $90,000,000 we should seriously consider the whole question before we talk about building more ships. I am sorry the leader of the opposition introduced into this discussion the matter of the building of these ships. It is an old story and it was not necessary in my opinion to hark back to it. We were in the throes of a great war, and the Minister of Marine and the government of that day thought that by building those ships they would be able to

carry the products of Canada over to the Mother Country and furnish supplies to the soldiers who were fighting in France. In my opinion that is why the government started the business, but I do say that after the war was over—

Mr. McMASTER: There were only four keels laid then.

Mr. DUFF: Yes, before any of the ships were launched, and only four keels were laid, the war was over. I said some four or six years ago, and I say it again to-night that after the war was over, seeing that only four keels had been laid, we should have abandoned the policy and not gone on and spent $80,000,000 of the money of the people of this country in building these ships.

I was not present shortly after eight o'clock, but I am told the leader of the opposition said that no objection was made to the building of these vessels by the then opposition, or by the Liberal members of parliament of that time. My right hon. friend, whose memory is usually pretty good, was mistaken in making that statement. If he will turn to Hansard of May 8, 1919, commencing at page 2,211, he will find that during the discussion in regard to moneys to be voted for the building of the Canadian Government Merchant Marine, not one member alone but several members objected to the building of these ships, and the granting of the contract for the construction of the last thirty-three vessels. In looking at Hansard of that date I find that the first name was that of a very able member of the late parliament, a man who spent a number of years in this House as a representative of Nova Scotia, a gentleman who, much to our regret passed to his reward a few days ago, and when I mention his name you will know it was the former member for Guysborough, the late J. H. Sinclair. If the leader of the opposition will turn to the page of Hansard I am quoting from he will see that Mr. Sinclair strenuously objected to the building of those ships at that time and the spending of this vast sum of money. Mr. Sinclair said:

> The criticism of my hon. friend the leader of the opposition is quite pertinent—

He was speaking of the ex-member for Cape Breton North and Victoria, now Mr. Justice McKenzie. He said;

> The criticism of my hon. friend the leader of the opposition is quite pertinent however, when he says that the government were very slow that they allowed three or four years to elapse before they did anything, and then when prices were almost as high as they ever will be and when the war was nearly over they embarked on the shipbuilding programme. When this report was issued I understand the war was over, but in it I find, as I have said, that there is a proposal to go on with the shipbuilding programme.

Again he says:

> But I think the minister has undertaken to build the wrong class of ship, if he expects them to make connections with the National Railway system.

Again:

> That company—

Speaking about the Canadian Pacific Railway Company.

> —has never embarked on the building of tramp vessels. It has built liners that make regular trips, that connect with its railway system and undertake to route goods to certain places and to deliver them on certain dates. That does not seem to be what my hon. friend is doing. He is building a large fleet of slow, tramp vessels that are not suitable and never will be suitable for that class of work.

I could go on and quote from the speeches of the hon. member for Brome (Mr. McMaster) who objected. I could also quote extracts from the speeches of the then hon. member for Red Deer, Mr. Clark, and I need not mention the hon. member for Lunenburg—

Mr. MEIGHEN: I do not think he will quote any criticism of that kind from any one else. He could quote a great many speeches from that side of the House strongly supporting the programme, but he could not quote a single vote against it.

Mr. DUFF: It is quite true as my hon. friend says that there was no vote taken at that time, but the fact remains that several members of the Liberal party spoke against the continuation of this shipbuilding programme. They were opposed to it. He is referring to the year 1918, and I think to the present Speaker of the House (Mr. Lemieux), and to the Honourable Mr. Justice McKenzie, who at that time did approve of the programme of that year.

Mr. MEIGHEN: And the Minister of Finance (Mr. Fielding).

Mr. DUFF: And perhaps the Minister of Finance.

Mr. MEIGHEN: And in 1919 also.

Mr. DUFF: I have looked carefully over the discussion in Hansard, and I could not find any Liberal member who supported the proposition at that time. I understood the leader of the opposition also said that I changed my views on this matter.

Mr. MEIGHEN: I did not say that.

Mr. DUFF: I took it down.

Mr MEIGHEN: I was just thinking the hon. gentleman would have to change his views

if he supported what is foreshadowed by the Minister of Railways to-day.

Mr. DUFF: I will put the leader of the opposition at ease. I do not intend to support any shipbuilding programme which will cost this country money; but I say that every year there are hundreds of thousands of ships which are ready at any time to carry the products of Canada to foreign lands. There never was any necessity for the Canadian government to undertake the operation of ships; it has proved to be a failure, and these ships have not carried one per cent of the total exports or imports from or into Canada. These very ships on which we have lost ninety million dollars are doing more business for foreign countries, and the United States particularly, than they are doing for Canada. That is the trouble. Another feature is that hon. gentlemen opposite, because they built the ships, are now endeavouring to show that we on this side of the House are willing to go on with that shipbuilding programme.

Mr. SPEAKMAN: Do I understand my hon. friend to say that at the present time there is an overplus of bottoms throughout the world? Because if so I cannot understand why we are called upon to pay double rates on our cattle from here to the Old Country.

Mr. DUFF: I have no hesitation in saying that the trade follows the flag, and that ships will go wherever the trade is. Wherever there is business for ships to do, ships will be found to carry all the business that is moving. What did my hon. friend from Cumberland say this afternoon? He spoke of the Canadian Government Merchant Marine coming up from the West Indies with 50 tons of freight, when it could have carried 3,000 tons, and he spoke of the Royal Mail Packet steamships coming up from the West Indies without any cargo. I was on the Hudson river about three weeks ago and saw 2,000 ships tied side by side upon that great majestic stream, and yet my hon. friend asks me if there is sufficient tonnage to do the business.

Mr. SPEAKMAN: I asked the hon. member, if that were the case, how he explained the fact that rates were at an exorbitant figure at the present time as applied to some lines of industry?

Mr. DUFF: That was the condition under the late government, and under this government as well, although perhaps neither the former government nor this government can be blamed for it, because in my opinion the mistake was made when the Canadian Government Merchant Marine ships were built and a bill was passed in this House incorporating a company called the Canadian Government Merchant Marine Limited. A board of directors was appointed, which board was absolutely irresponsible to the owners of the ships, and they were given complete power to carry on the business of the ships, but the fact remains that the management of these boats, instead of endeavouring, as the hon. member would hope, and as I would hope, to keep down the rates on cattle or anything else, entered into a combine. The freight managers or directors of the Canadian Government Merchant Marine entered into a combine, not once or twice, but seven or eight times, not only to keep the rates up but to increase the rates on different products which were to be handled. My hon. friend must remember that the special committee on Agriculture last year went into that question and found that there was a combine. I proved to my own satisfaction two years before that there was a combine. If my hon. friend will read Hansard he will see that in my speech condemning the Canadian Government Merchant Marine I showed that they entered into an agreement known as the New York pool. I could mention another thing to show the way business was conducted by the Canadian Government Merchant Marine. I think three years ago the manager of the Royal Mail Packet line came to Ottawa to interview the Minister of Trade and Commerce. The vessels of that company, as hon. members know, plied between Halifax, St. John and the West Indies. The manager of the company came to Ottawa, interviewed the Minister of Trade and Commerce and said to him, "We cannot carry on with this subsidy of $340,000, unless you allow us to raise our rates." And what do you think the Minister of Trade and Commerce did? He sent for the manager of the Canadian Government Merchant Marine which line was in competition with the Royal Mail Packet between Halifax and St. John and West Indian ports. These two gentlemen, the manager of the Royal Mail Packet and the manager of the Canadian Government Merchant Marine sat at the table and asked the Minister of Trade and Commerce to increase the freight rates fifty per cent, and the Minister of Trade and Commerce did it. That is the reason the rates are so high.

Mr. CALDWELL: What year was that?

Mr. McBRIDE: Does the hon. member think that the Canadian Government Merchant Marine should be run at a loss when these boats are run in competition with other

boats which have got to help pay taxes in order to carry on the merchant marine?

Mr. DUFF: I do not think anything of the kind. I am trying to prove that it is bad business to run these boats at all; and even if the rates were 50 per cent higher than they are to-day the Canadian Government Merchant Marine ships would not pay. I am trying to prove that. I say in answer to the hon. member for Red Deer (Mr. Speakman) that if government ships are going to be of any use to the people of the country the rates should be at least as low as the rates of any other boat, or indeed lower. But instead of that, on several occasions, they entered into an agreement with other steamship lines where they could fix the rates between the two countries. If it is good policy to have government-owned ships operate on the line between Halifax and the West Indies, why would it not be good policy to have government ships carry every pound of freight which is hauled over the National Railways in this country both East and West? Would any hon. gentleman suggest that that should be done? Is it not a fact that the Canadian Government Merchant Marine does not handle one per cent of the goods which pass over the Canadian National Railways? If the Canadian National Railways have to depend for the carriage of ninety-nine per cent of its goods by water on outside lines, and the merchant marine has lost $90,000,000, it is about time that the Canadian people woke up to the fact that they had better get clear of it.

It is also a fact that an experiment was made last year with some of those boats to carry cattle from Quebec to the Old Country, and it was found that those boats were not suitable. I am not going to blame the late government when I say that those boats are not suitable to carry cattle or to do the service that the Royal Mail Packet Company is doing to-day. I agree with the hon. member for Cumberland (Mr. Logan) that the service the Royal Mail Packet Company is performing is not satisfactory. We should have fifteen-knot boats instead of ten-knot boats in order to compete with the United Fruit Company and other lines, but I say that those boats which we have at the present time are practically useless for the services to which they are devoted. What is the use of having those boats put on the West Indies route or any other route except where they are carrying bulk cargoes only in competition with other steamers? I am not complaining about the kind of boats that were built by the late government. I think everybody will admit that when the late government entered into that policy and that contract, they never thought how they were going to use the boats. They did not know how they were going to use them. Their idea was to build as many boats as quickly as possible so that they could help during the war. I think that is a fair statement to make, and I have no hesitation in saying that when the late government, or Mr. Ballantyne, who was Minister of Marine and Fisheries at that time, brought down that policy, he had no more idea what he was going to do with the boats than any other member of the government or of the House of Commons. But the fact remains that we have them now and that there are only two things that we can do with them. We have either to go on and lose $9,000,000 every year in interest, depreciation and loss in running expenses, or to sell the boats, as somebody suggested this afternoon, and buy boats which would be suitable for this particular route. There would be no objection to that because we would not be investing any new money. I think that would be good business in view of the fact that we have some sixty of these boats which are practically useless as regards Canadian trade and which are being used to develop the trade of other countries rather than that of Canada. It would be a good policy for this government to sell some of those ships at whatever price they could get for them and, perhaps, to invest a few million dollars in building ships which would be suitable for this British West Indies route.

Mr. SPENCER: How does the trade of Canada differ very much from that of any other country?

Mr. DUFF: The trade of Canada differs from that of any other country just the same as shipping differs. For instance, the trade of Canada is not at all in lumber; but the shipping of Canada, that is as regards the merchant marine, is all in one class of boats. Now, does my hon. friend see the difference? The Canadian Pacific Railway have different classes of ocean steamers. They have the regular tramp steamers for bulk cargoes, and the passenger, freight and express service by water. That is why there is a great difference, and consequently the only thing to do, if we are going to make use of the ships which we have in the Canadian Government Merchant Marine is to sell most of them and invest the money perhaps in the route between Halifax, St. John and the West Indies or some other route in order to develop trade. But I do not think it would be good business for this or any other government to spend more money in building ships for this or any other

route. There is no question that if trade should be developed by the agencies which the hon. member for Cumberland suggested, by appointing trade agents and going after the business, whenever the business is there to be handled, boats will be found to carry the products of Canada to the West Indies and to bring back to Canada the products of those islands.

Mr. KELLNER: What is the matter with those ships?

Mr. DUFF: As the leader of the opposition (Mr. Meighen) said, there is nothing wrong, nothing seriously wrong with their construction. Some years ago we were told that we could not build ships in Canada, but these ships on the whole are a credit to Canada as regards their construction. The only trouble with them is that in the first place they are slow, in the second place they are all of the tramp variety, and in the third place they are not suitable for the West Indies trade or any other trade than bulk cargo. That is the only trouble with them and I think that is sufficient. It is useless for us to contend that we can get cargoes on those ships from the West Indies or anywhere else when they can travel at only between eight and ten knots an hour and when other boats from New York ports and elsewhere can travel at from eighteen to twenty knots an hour.

Mr. FORKE: Does the cost of sailing not increase very much with the rapidity of travelling? Can a slow sailing vessel carry cargo much more cheaply than a fast sailing vessel?

Mr. DUFF: I do not think there is any difference, because a Canadian Government Merchant Marine vessel will take ten or twelve days to go from Halifax to Bermuda while a fast ship will make the trip in six days, and whilst this would require more coal consumption and the capital expenditure would be a little more, that would be saved in wages, provisions and other expenses which the other boat would have to bear. Moreover, if the faster boat made the trip in half the time, she would make two trips to the other's one.

We have the merchant marine on our hands and it constitutes a white elephant. We might as well come to the conclusion that these vessels are not suitable, and as the hon. member for Cumberland said this afternoon, they have lost $265,000 each year for the last three years on operation on the West India route alone. No private company would run a business in that way. Why should the people of this country

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have to do that just because you or I or somebody else has a quintal of fish or a barrel of flour to ship from his fish stage or his farm to some foreign country? The people of Canada should have some say in the matter and not an individual who may have something to ship, and it is suicidal for this government to go on any longer without calling a halt in the operation of most of these ships. They should sell them at once and, if necessary, get the Royal Mail Packet Company or some other company to perform this service on the West Indies route, either with or without a subsidy.

Mr. WARNER: Does the hon. member know of any place or any kind of business for which these ships are suitable?

Mr. DUFF: Yes, there are many things they can do. For instance, I understand they are used on the Pacific coast for carrying lumber. I would say they would be splendid ships for that. That is what is known as a bulk cargo. They would also be suitable for carrying coal. I understand that some of them were used on the Great Lakes for carrying wheat, but they lost money in that work. A ship, in order to carry wheat, must be specially constructed and fitted, but in order to get something for these boats to do, the management put them on the Great Lakes in the wheat-carrying business. This was a great mistake to my mind. There is no reason why those ships cannot be used for carrying bulk cargoes, and it is strange to me that in carrying bulk cargoes, they should lose money when private companies, owning ships of the same class, can make a small amount of money on the capital invested.

The hon. member for South York (Mr. Maclean) this afternoon said that there was a monopoly in shipping. I am afraid he has not looked into this question very thoroughly Of course there are some steamship companies which make rates; but on the Atlantic ocean where ships are going back and forth all the time from every country in the world, there is no monopoly. Freight rates are governed entirely by the law of supply and demand except in special cases, as I said before, where vessels are given a subsidy and the Trade and Commerce department have to fix the rates with the result, as in the case of a Canadian Government Merchant Marine and the Royal Mail Packet Company, they came back to the government and the government gave them an increase of 50 per cent

Mr. WARD: What would you say as to the North Atlantic Conference not controlling rates in any way?

Mr. DUFF: They tried to control rates.

Mr. MACLEAN (York): They do control them.

Mr. DUFF: No.

Mr. MACLEAN (York): I will read the evidence.

Mr. DUFF: You can do so after I am through. They did try to control rates, and they succeeded for a certain time; but there are hundreds of ships outside the Atlantic Combine—Swedish, Norwegian and French, besides British tramp steamers and others.

Mr. WARD: Would you say that the North Atlantic Conference or Combine does not to-day control cattle rates from Montreal to British ports?

Mr. DUFF: I was under the impression that it was the English steamship companies operating out of Montreal which controlled the cattle rates from Montreal or Quebec to the Old Country.

Mr. WARD: That certainly is not in keeping with the views of the people of western Canada. They feel that at the present time the cattle rates are atrocious.

Mr. DUFF: It is quite true that the steamship agents in Montreal got together and made a rate for the carriage of cattle, but I am not a judge as to what they should charge for that traffic. It has been proved conclusively, however, that the Canadian Government Merchant Marine carried cattle at $20 a head and lost money; and all I am interested in is the country's investment in those ships.

Mr. WARD: A minute or two ago you said that other companies using the same type of boat as we have in our government merchant marine were making a small profit. If that is so, there must be something wrong if our boats cannot make a profit on similar traffic.

Mr. DUFF: My hon. friend should know that boats of the type of the government merchant marine do not carry cattle, not being fitted up for the business. The boats which engage in this traffic from Montreal or Quebec are specially equipped and carry cattle in conjunction with other cargo. I did say that the Canadian Government Merchant Marine did not make any money on the cattle business, and that is an established fact which I do not need to argue. I think it is about time that the government and the people of this country told the directors to stop operating the Canadian Government Merchant Marine.

I think we should do everything in our power to develop our trade with the West Indies, and unless we can make a better contract either with the Royal Mail Steam Packet Company or some steamship company I feel that it is better for us to pay this subsidy than to put our own ships on the route and lose money. There is no question that our trade with the West Indies should be developed, and we in Nova Scotia and New Brunswick, who are at some disadvantage in trading with the central part of Canada, have every desire to see the West Indian trade developed so that our ocean ports at St. John and Halifax will get that much more business. I do not think that taking off the ships of the government mercantile marine would tend to restrict the development of that trade, because I feel that these boats are not necessary for our National Railways at all, as the management can get all the boats necessary to handle our overseas business, and therefore I say that under the circumstances we would be able to pay the Royal Mail Steam Packet Company or some other steamship company a smaller subsidy if they had the route to themselves so that they could put on suitable boats to handle the business.

Mr. SPENCE: I was delighted to hear the very sensible and businesslike addresses from the government side of the House this afternoon. I congratulate them on their constructive character. I refer to the speeches by the hon. member for Cumberland (Mr. Logan) and the hon. Minister of Railways (Mr. Graham). Knowing as I do something about the fruit business, I endorse every word uttered by the hon. member for Cumberland regarding the building up of business between the British West Indies and Canada. I feel that it is just as important to develop this trade as it is to develop our trade with the Mother Country. When in 1922 I entered this House I intended to place my business knowledge at the service of the government to assist along these lines, but I found that politics were not very much permeated with business; hence I refrained from tendering any advice. Hon. members will recall that either last session or the session before, when members of the government were criticising my honoured leader about the Canadian Govern-

ment Merchant Marine, I pointed out how these boats, no matter what their tonnage, could be used advantageously between here and the West Indies or the Mediterranean ports, and I enumerated the commodities that might be imported, pointing out how many vessel loads might be brought in each year and what an advantage this would be in augmenting the traffic of our National Railways. I still claim that I was right, and I am glad to note that some of my hon. friends on the government benches are beginning to give consideration to the development of water transportation by means of the Canadian Government Merchant Marine. This to my mind is most essential to this country because water transportation is the cheapest you can possibly get. I also pointed out at that time that a substantial amount of merchandise could be brought from the West Indies once a heated dock was established at St. John or Halifax, because during the severe winter months you cannot handle tropical fruits without such facilities, and their absence is the reason why we are losing this business. If the government would direct their attention to these requirements and develop trade between the Mediterranean ports and the ports of the West Indies, they would soon build up the Canadian National Railways by the extra traffic which would result.

Mr. CALDWELL: We have a heated warehouse at St. John now.

Mr. SPENCE: Can a boat pull in there and unload?

Mr. CALDWELL: Yes, and afterwards the commodities can be loaded into freight cars.

Mr. SPENCE: I am glad to hear it. The absence of these facilities has caused the diversion of this traffic to New York; consequently we are developing that port to the detriment of St. John and Halifax and losing the trade. I am glad to have been the first one in this House to advocate something along this line, and I am pleased to know that influential members on the government benches now see eye to eye with me; but it takes some people a long time to do so—they are just five or ten years behind the times. Last year when I discussed this matter in the House I got very little sympathy even from my own friends; they thought I was ahead of the times. But reading between the lines of what the Minister of Railways has said I know that something is going to be done and that some developments will take place in the steamship line. I am sorry the hon. member for Lunenburg (Mr Duff) is not in perfect accord with his colleagues in this matter. While the vessels of the merchant marine may not be all that is desired—may not be large enough or speedy enough—at the same time something might be done in the way of trading off two for one to bring about a development of our trade not only between Canada and the West Indies but between Canada and Mediterranean ports and other ports as well.

The hon. member for Cumberland talked about putting a duty on bananas. I talked about that myself; I advocated it, although it could do no good to me personally. I advocated it on two grounds: first, for the purpose of getting revenue. I thought there was too much direct taxation. Duties could be put on other things besides bananas without doing any harm to the country and the man in business would not have to pay so much direct taxation. My second reason was in order that a preference might be given to the British West Indies. With regard to the United Fruit Company, to which reference has been made, I want to say that they are the strongest aggregation I know of in this business. Their capital must amount from seventy to a hundred million dollars. They control the steamboats; they control the plantations, and I understand that rather than ship a carload of bananas to be sold in this country at a reasonable price they will let them rot. In the early days bananas could be sold in the Canadian market at from 10 to 20 cents a dozen, but to-day you have to buy bananas in carload lots by the pound, and the average price of bananas in the Toronto market in carload lots is 7 cents a pound. So that to-day these people control the boats and the plantations; they control the bananas and they control the price, and as a result of their operations we are compelled to pay an enormous price for bananas. In other words, it is a real monopoly. That is something I hope the minister will give attention to.

Mr. CHURCH: What about the Combines Act?

Mr. SPENCE: Well, hon. members discuss the Combines Act; they condemn it, and so on, but while they do so they would like to be in a combine themselves. I would prefer to get into a combine at almost any time rather than go bankrupt. However, I will leave that to those who know more about it.

So far as lake services are concerned, there may be exorbitant rates charged. There is no doubt that during the last couple of years the rates on the lines of the Niagara Navigation Company have been very high. However,

what we have to do is to look after our own business, develop the industries of the country and develop trade between Canadian and British and foreign ports. England built up her trade by developing her merchant marine. The United States did the same thing and I contend that Canada must do the same thing. We cannot depend on private companies to do our business, because these companies are very jealous of governments or municipalities who endeavour to put on a steamboat service and every time they can get you in a corner in the matter of transportation—either a steamboat company or a railroad company—they will do it. So that we are up against some of the toughest problems that can be faced in dealing with companies. I do not know that it is appropriate at this juncture to talk about freight charges but it is a thing that undoubtedly is keeping this country back. Something must be done, and I am sure that when the government sees fit to force the rates down the railway companies will find a way of reducing their overhead charges accordingly.

Mr. McBRIDE: I wish to make one or two remarks in regard to some statements of the hon. member for Lunenburg (Mr. Duff) concerning the merchant marine. I have never at any time stated that the larger boats in the merchant marine were a failure. I think they are good boats and should be run at a profit. The hon. member for Lunenburg said that their speed was 8 or 9 knots; the fact is their speed is 11½ to 12½ knots, and that is fast enough for any freight boat. The boats that are anywhere from 8,000 to 10,000 tons should be a good paying proposition for this government. As to the smaller boats, while I do not find fault with their construction, I do not think they can ever be a paying proposition. It seems to be the general habit of hon. members to criticise freight rates and then tell us about combines. If boats operated by private companies were run at a loss, hon. members would say that the owners of them were a lot of confounded fools and did not know how to carry on their business. The man who runs a steamboat ought to get a fair and reasonable price for what he carries, and should be able to make his running expenses and interest on his investment. Proof that a great many are not doing that, when it comes down to the fine point, is found in the merchant marine returns. As for railway charges, I am opposed to reducing them: I say, increase them and get our railways on a paying basis. Why should the taxpayers in a section of country that has no railway facilities be paying a tax so that other sections may get cheap rates? I say that the freight rates all over Canada should be equalized; then make the charges such as to enable our national railways to get on a paying basis.

Mr. MacLAREN: I would not want this discussion to pass by without recording my attitude in regard to the proposal that has been made by the Minister of Railways (Mr. Graham) this afternoon, especially bearing on the question of West Indian trade as set forward by the member for Cumberland (Mr. Logan). The business with the West Indies is there, waiting for transportation, waiting for the necessary arrangement between the West Indies and Canada. I do not know that the question of the relative merit of the vessels of the present mercantile marine has any direct bearing on the question of the development of the West Indian trade with Canada. I do not suppose anyone would suggest that these vessels are especially suitable for semi-tropical trade. I think it is obvious they are not. What I understand was in the mind of the Minister of Railways was the consideration of the propriety and advisability of providing a fleet of ships such as are suitable for semi-tropical trade, and for carrying products of such a character as are produced in the West Indies. That is quite a different matter from the merchant marine as it is now constituted. I do not suppose anyone would argue that we should use the merchant marine boats for this trade, because we all admit they are not ideal for that trade. In view of these three points then, Mr. Chairman—the trade being ready for us to encourage and develop, secondly, consideration of the building of ships suitable for carrying not only freight but passengers in semi-tropical areas, and thirdly, the nature of the business with the West Indies and the enormously powerful American organizations that are carrying on the trade there at the present time, I do think there is a distinct advantage in the government carrying on a business of this character. It requires a great backing, it requires wealth, it requires influence to successfully compete with the firms now operating there, and particularly with one well-known firm in the United States that has practically a monopoly of the fruit business of the West Indies.

Let me say, finally, that I hope this matter will be prosecuted with energy, that undue delay will be avoided. It certainly will appeal to the people of this country that here would

be an advance in the development of our trade, and of our ports and transportation system.

Mr. MacLEAN (Prince): As our little province of Prince Edward Island is one of the ports of call of the merchant marine, I wish to make just a few remarks. It might be supposed that the merchant marine leaving Montreal and making different ports of call both in Nova Scotia and Prince Edward Island would give each province a fairly good service. We have a splendid harbour at the town of Summerside, where we have been endeavouring to have those ships call, but the management of the merchant marine takes the ground that it would not be good business for the ship to call there on account of competing with the Canadian National Railways. I endeavoured to point out to the management that in the event of the ship not calling there, neither the Canadian National Railways nor the merchant marine would get the business, but the boat of some other company would be put on, and that is just what happened last year. We have endeavoured to impress upon the management of the merchant marine the importance of making Summerside a port of call, but up to now we have not met with success. Another feature has just been brought to my attention this moment, in a letter that came by to-night's mail from the Tourists' Association of Prince Edward Island. It is written by the secretary, dated Charlottetown, June 10, and reads as follows:

> I am receiving quite a few inquiries with reference to boat trips from Montreal to Charlottetown, and upon inquiry I find that the C.G.M.M. s.s. "Sapper" is the only boat carrying on passenger service between these two ports this season, and that owing to the fact that there is no stewardess on this boat, it is impossible for ladies to travel in this way, except when accompanied by their husbands.
>
> It seems rather too bad with only one boat making the trip, we should be deprived of the privilege of having ladies travel on it, and if there is any way whereby you could induce the merchant marine to give us a stewardess on this service for even two months, it would help us considerably.

If these boats are going to cater to passenger traffic, I think it is only right that proper accommodation should be provided. I am well aware that these boats are not capable of carrying a large number of passengers, but if they are in the passenger business at all every effort should be made to provide the necessary accommodation.

I wish to congratulate the hon. member for Cumberland, in common with the rest of the members of the House, for the splendid address that he gave us this afternoon. I think it would be in the interest of Canadian trade, and would help to stimulate trade with the West Indian countries if that speech was published in pamphlet form and largely distributed, not only to the West Indian trade, but also to our own Canadian merchants. The two countries are interdependent to a considerable degree in the matter of their products, and we would welcome a development of trade between the two countries. I again congratulate the hon. member on his very able presentation of the case.

Mr. MEIGHEN: I do not wish to take up any time at all, except to put on record the first phase, I think I might call it, of the attitude of hon. gentlemen opposite to the mercantile marine. I do not complain of the general fairness at all of the speech this afternoon of the hon. member for Lunenburg. It does not, however, present anything like a just reflection either of what took place in 1918 or in 1919, or indeed in 1920, as to the general disposition of the House towards the construction.

It will be recalled that strong pressure was brought to bear upon the government from all sides of the House for its construction, and this pressure continued right up until 1920. The resistance came first in 1921, but the resistance never took the form that it has taken now; the criticism never took that colour at all. Indeed, hon. members to my left particularly will remember just this last summer when the present Minister of Justice, then Minister of Marine and Fisheries, toured the west, he complained bitterly of the mercantile marine, and the complaint was this, that it was a war construction programme, and nothing else, and that immediately the war was over all contracts should have been cancelled. Am I mis-stating his position? If I am challenged, I will get his speech, for I have it, frequently made. Contracts should have been cancelled, he complained, when the war was over. This was the second phase of attack. Now the phase is: Oh, but you didn't build the right kind of ships; you only built bulk cargo ships. I do not pretend to be an expert upon this, but I venture to say the defence against this attack is just as effective as against any other, and I know it can be produced. I share very much the disposition apparently of hon. members to my left. A desperate struggle is being made to find something wrong with these ships, to show that they are too fast or too slow, too big or too little. The ships are all right.

I rose only to put on record the unanimous attitude of the Liberal party, in its first phase towards the mercantile marine. I read the resolution passed at the convention, and I

remark that the convention is subsequent to the laying out of the whole shipbuilding programme. The character of every ship, the whole programme, was laid before parliament months before this convention was held. Here is the resolution. I will ask hon. members to follow it carefully and find in it either an attack on the construction as being merely a war venture which should have been stopped when the war closed, or an attack on the construction as being composed of vessels unsuited for our use. Just watch and see how much of either one of these phases is contained in this resolution:

> The government now owns and operates some 16,000 miles of railway. We believe that the present system of management by a board, the majority of the members of which devote but a small portion of their time to this work, is unwieldy, inefficient, and extravagant, and that under it and the present administration public ownership and operation will not receive a fair trial.

This is merely introductory. I pause only to comment that exactly the same system still prevails.

> Adequate facilities and tonnage for ocean traffic are a vital concern to the commerce of Canada and the utter lack of foresight on the part of the government in neglecting to see that such facilities and tonnage were provided for the immediate after-the-war period is not only humiliating to the Canadian people, but is materially impairing our export trade.

How consistent with the 1923 statement of the Liberal position, as expounded by the present Minister of Justice that the ships were not for after-the-war at all, but were a construction for the purposes of the war, and that all further construction should have been cancelled when the war was over. Here we were roundly denounced for not preparing for after-the-war soon enough. I continue:

> At this time when the country should be in a position to take full advantage of the opportunities to secure its proper share of the export business on which the financial, industrial, and agricultural future of Canada depends, we are confronted with the lamentable situation that no adequate provision has been made for the transportation of the products of the farm, the factory and the forest to the markets of the world. With the knowledge of the enormous destruction of tonnage by the havoc of war in its possession, the failure of the government to protect the trade of Canada against the condition that now confronts it shows an absence of business ability which merits the severest condemnation of the people of Canada.

We do not hear very much in this of what we heard to-night from the hon. member for Lunenburg, that immediately there are goods to carry, the ships are there to carry them. "No," he said, "we have the goods but we have not the ships, and the government should have started sooner knowing the very destructive work of the submarine." We commenced early in 1918; we appropriated $25,000,000 and commenced. We commenced just as soon as we were in a position to do so. We knew when the war was over what we could afford to do. When the war was on no one knew when it would close; but when the most crucial thing became the providing of ships, when that became one of the major features of the war, then the construction of ships was started. Consequently there is a good defence to this attack. But it is not any defence now; the attack is abandoned. There is a good defence to the next attack made last summer by the Minister of Justice. But it is not any defence now; that is abandoned too. The latest is an attack on the character and design of the vessel, and I am sure that it is not received with very great enthusiasm by those who have witnessed the former ones and witnessed their dissolution. Let me admit that the former member for Red Deer, Mr. Clark, did complain of Canada venturing to undertake this construction, and urged that the cost would be much greater than it would have been had we bought from the Clyde or the Mersey, from the big shipyards of England. But inasmuch as the same member had just a few years before urged that instead of having built over there large ships of war, the hardest to build in the world, we should build here in Canada two fleet units of the finest war ship construction, I do not think it is at all to be wondered at that parliament did not take the second criticism as very serious.

Mr. WOODSWORTH: I wish to state that many of us were greatly gratified this afternoon at the position taken by the hon. member for Cumberland (Mr. Logan), and the Minister of Railways (Mr. Graham). During the past two or three years I have had a great number of communications from seamen in the port of Montreal, or down in Nova Scotia, relative to the necessity of encouraging the Canadian Government Merchant Marine, and in other ways promoting the welfare of our own Canadian ships manned by our own sailors; and the suggestion made by the Minister of Railways that this was likely to be a policy of the government will I am sure be received with very great rejoicing by a large number of the workers in the eastern part of this country. I think perhaps it is too well known to need anything more than the statement, that organized labour in Canada stood out firmly for public ownership of public utilities. In that we include all railway and steamship lines, and we think this is a move in the right direction. May I say that side by side with public ownership we would also like to see a little bit more of the democratic control that ought to go with it.

As I suggested the other day in dealing with the Railway Board, it seems to me that the government ought to try to put into practice what it has conceded in theory—that labour ought to have representation on these big public utility or government boards; that those who are actively engaged in the work—in this case the men actually engaged on the ships—should have some voice in the management of the enterprises. I think that policy would undoubtedly result in a very great deal more of efficiency, and, if anything, greater loyalty than has been shown in the past; although I may say with regard to a number of these ships I have talked with some of the officers and men in the vessels and they are exceedingly loyal to the idea of publicly owned bodies.

There is just one other thing I should like to mention, which came up in connection with the question asked by the hon. member for Cumberland having to do with a further extension of the idea of exchange between different sections of the country. The member for Cumberland opened out a wide field, and I am quite sure that we all agree with his criticism that a great deal is lost in the transmission of commodities from one section of the country to the other. The consumer does not get the advantage that he ought to have. There are a great many commission men, and intermediaries of various kinds, that stand in the way. If we are to have our government railroads, our government steamship lines, and our government terminals it would seem a very small extension to see to it that some sort of exchange system is arranged by which a good many of the middle men that now prey on the producers could be eliminated. A few years ago some of us visited a big storage plant in the harbour of Montreal. There we saw how well equipped they were for cutting out a great many of the middleman's profits, and bringing the producer a little bit closer to the consumer. If these products of the tropics can be brought by our own ships, there is no particular reason why there could not be an almost direct exchange with the people in the West and our supplying the flour that is needed in the East. The government of New Zealand have more or less accomplished this with regard to certain kinds of dairy produce. The farmers of our own West are beginning to work in the direction of shipments through a wheat pool; and it would seem as if we would be in a position before very long to carry out this idea on an even greater scale. I would even look forward to the time when we would have not merely our own ships plying between here and the West Indies, but also between here and the Motherland. At the same time we might very easily find that it was possible for us to carry our Canadian wheat in our own bottoms directly to the world's markets, and probably effect a direct exhange for some of the commodities we need in this country. Inevitably we are being driven into the adoption of public ownership. Whether we like it or not the world is tending in that direction. The only point we ought to safeguard is the effective control of the boards and of the operations of these corporations which are set up. I welcome the discussion this afternoon as being one of the most illuminating we have had on the floor of this House for many a long day.

Mr. BLACK (Halifax): Before this discussion is concluded, I crave the attention of the House for a very few moments, in order that I may put my ideas before it in regard to this question. I do not think any hon. member—I certainly would not,—would put anything in the way of a treaty agreement or any arrangement with any country or with any islands that would be for the benefit of Canada. If we can exchange the goods of our country on fair and reasonable terms, with another country, I think it is our duty so to do. A treaty whereby the products of the West Indies can be admitted on favourable terms to this country, and whereby the products of this country can be admitted on fair terms into the West Indian Islands and to the mainland of South America, would be of very great advantage to both countries. So far as Canada is concerned, I think it would be not only an advantage to the whole Dominion, but it would be especially advantageous to the Maritime provinces.

We are indebted to my hon. friend from Cumberland (Mr. Logan) for the valuable statistics he has given us this afternoon in connection with the trade relations or the volume of trade done with the West Indies and the possibility of an increase of trade between those islands and Canada. Of course, to carry out what is evidently in the mind of the hon. gentleman would mean a very large and comprehensive scheme and one which would be very expensive if undertaken as a whole. To my mind it would require, not one or two lines of steamers but quite a number of lines. For instance, I do not think it is a practicable proposition to undertake to trade with Cuba, if we couple it with any other island. If results are to be had with the trade or with the line of steamers running to Cuba, I maintain that these steamers must

go to that island and to that island alone. The same remark would apply to Porto Rico, to Haiti and to San Domingo. Those islands would probably require two separate lines of steamers. Then again, in order to get the trade of those islands, what arrangement can be made with our neighbours to the South of us for favourable trade agreements? I would say that inasmuch as the United States controls the trade policy of those islands to a very large extent, Canada could not obtain any privileges there; and in that same connection I assume that when my hon. friend quoted the volume of trade between the United States and the West Indies he included the trade of Cuba and all the other islands which I have mentioned, and which are almost wholly American. We know that Cuba is a very large sugar producing country. We know that for some years past sugar has been at the top notch almost. The price has been very high indeed, and with the many millions of tons produced in that island, and with the high price of sugar per ton, the volume of trade in dollars and cents is enormous. The same thing applies to San Domingo. I do not think it applies to the same extent to Haiti or Porto Rico. In my view Canada should welcome any treaty arrangement that would assist us in capturing the trade of those islands.

So far as the steamships which have been operating are concerned, a subsidy, as hon. gentlemen know, has been paid to the Royal Mail Steam Packet Company for their services to what is called the Windward islands and Demerara. The government have also, during the last few years, been operating a service to those islands in opposition to their own subsidized service. The result is that the company with whom the government has a contract has not been operating a profitable service. The Minister of Trade and Commerce knows confidentially the result of the operation of that company; and if he will call to mind those results undoubtedly he will conclude that there would be no justification whatever for the government building steamers and placing them on that route. I would remind the minister of the fact that the boats operating in the present service are of very small value. Consequently the overhead—that is the insurance, depreciation and other expenses—are very small indeed as compared with the charges on four new steamers, which would be necessary to cover the route, costing probably $5,000,000. This overhead would result in a heavy loss I believe from year to year. It seems to me that the proper thing for the government to do, when they complete their treaty arrangements with our friends to the south, is to couple up with some steamship company and pay the subsidy that is necessary to obtain the services which they will have to give under the terms of the treaty with the West Indies. To my mind that is the cheapest possible way of operating the services.

Then comes the question how far governments should interfere with vested interests. There are thousands of steamship companies operating throughout the world. I think I can safely say that scarcely one company to-day is making both ends meet, and yet some hon. gentlemen will say, without realizing what the result is going to be: Let the government build and operate those ships in competition with vested rights and private steamship companies. I think the experience we have had with the government merchant marine should be sufficient to impress the government with the fact that they cannot operate steamers in competition with private companies. I think too that the government should consider, with the money which they have required to pay the losses of millions up to the present time, whether they are justified in running tonnage at a loss in opposition to private interests.

The other day I obtained the fifth annual report of the Canadian Government Merchant Marine Limited, and in running over it, I was wondering what the result in operations had been. As far as I can make out the loss has run into over $100,000,000. The statement shows, as of the 31st December, 1923, a deficit of $27,641,581. In this statement amongst the assets I find "accounts receivable, less reserve for doubtful accounts." That seems to me a rather strange entry for a steamship company which is carrying cargo and which is earning freight money, which freight money is supposed, so far as my business knowledge goes, to be payable on or before delivery of the goods. Therefore, I cannot understand why there should be accounts receivable amounting to $1,532,411. That may be a good asset or it may be a figure, a portion of which will never be realized. Then, we have as another asset, due by underwriters, claims estimated and under adjustment, $885,479. That is an asset in the account, before the deficit is struck of over $27,000,000. I will venture to say that that amount of $885,479 will show a very large shrinkage when the final settlement comes. Then there is deficiency on the other side of the account on insurance recovered. On the Canadian Exporter, one of the ships, there was a deficiency in what was estimated as the cost of the repairs. I do not know what the accident was, but on

that account there was a deficiency of $23,-191. Is it not reasonable to suppose that there would be a large deficiency on the $885,479? Following up this deficit of over $27,000,000, I obtained from the Department of Railways and Canals the present cost of the fleet. There are some sixty odd vessels with a tonnage of over 362,844 tons. The capital cost on 31st December, 1923, was $74,860,386.48. Add to that the loss in the operation of those boats for the last three or four years and you have a total of $102,-501,968.05. The value of tonnage at the present time owned by the government is $9,724,219, leaving a shortage, if the fleet were sold to-day, of $92,777,749. That amount of $92,777,749 is based on the price of four of the ships which were sold

11 p.m. aggregating 15,508 tons. As regards the money received for them, I am perfectly sure that the credits in the figures given in the report do not provide for commissions on the sale of those boats, and the average price received for those boats works out at $26.80 a ton. I congratulate the department on obtaining such a price. It is a very outside price, and I sometimes wonder how they were able to obtain that price for those ships. But taking the 362,844 tons odd at the average price for which four of the ships have been sold, I arrive at $9,724,219 as their present value, leaving $92,777,749 of a shortage. Since those ships were sold at this price of $26.80 a ton, the price of ships has not increased. Not only has the price of tonnage declined but the ships are that much older, and therefore are not of so much value as when these sales were made. But even so, I venture the statement that were these boats to be sold and the account to be closed to-day, the loss to the people of Canada would be less in the long run than their continued operation. For it must be borne in mind that the country was told that these boats were to be put on new routes for developing trade, and had that been done perhaps we would have had nothing whatever to say about it, but instead they have been running the world over; in other words, they are tramp steamers. Some of my friends to my left seem to think that a steamer is simply a steamer; apparently they do not understand the difference between a tramp steamer and a steamer engaged on a regular route. These boats of the Canadian Government Merchant Marine are what are called tramps, and I undertake to say that there has been scarcely a voyage that has not resulted in loss. A government can do that; they can invest their money in railways, or steamers, or anything else, and if they make a loss nobody is going to fail; but it is not a business proposition, it is not a proposition that any steamship-owning firm will undertake. What is the position of steamship owners in Great Britain and elsewhere at the present time? Rather than operate their tonnage at a loss, such as the government has been doing, they lay their ships up and so minimize their loss as far as possible. I should like to ask some of my friends to my left who have spoken to-night in favour of operating our present boats and building new boats to be placed in competition with private enterprise, what they would say if an agitation were started to induce the government to buy large areas of land in the West, engage in grain-growing at a loss, and sell the product at a lower price than the market value? What would our western friends say to such a proposition? Justly oppose it, of course, and bitterly. Then, why should these same people be willing, in fact insistent, that the government should spend the people's money by going into competition with privately owned steamships and vested rights? To my mind the principle is absolutely wrong.

Although it is expensive, in my opinion the cheapest course in the long run will be to lay these boats up and sell them as fast as possible, thus closing up the account and taking the loss. I have no criticism to make of the building of these ships. They were built at the urgent request, I believe, of the British government at a time when British shipping was being destroyed at the rate of tens of thousands of tons per week and it was feared throughout the Empire that not only our soldiers but the people of Great Britain would starve unless new tonnage was provided; therefore the construction of these ships was justified. But I cannot bring myself to believe that any government is justified in continuing to operate any such system of transportation as the Canadian Government Merchant Marine. These boats, as I said before, have not been opening up new routes for Canadian trade, they have been tramping, going down to South America and entering into competition with the regular liners there, carrying goods to Europe and thence to the United States, cutting rates and giving the benefit to foreigners, while we are paying the loss. Such kind of business should not be carried on by any government.

Mr. MILNE: Does the Canadian Government Merchant Marine carry freight at a lower rate than other ocean boats?

Mr. BLACK (Halifax): They have, sir; they have been carrying freight to United States ports from European ports, and from

South American ports to European ports, below current rates, and at a loss—a heavy loss, $9,000,000 in one year. The steamship companies that were running their boats on those routes were not getting remunerative rates and their yearly balances left their shareholders without any dividends.

Mr. MILNE: Is it not a fact that the Canadian Government Merchant Marine sits in at the rate conferences and abides by the rulings there made?

Mr. BLACK (Halifax): I am not in the confidence of the Canadian Government Merchant Marine as to what they do in that respect, but even if they ever did it only made them a little better off than they would otherwise have been and helped private interests to that extent.

Mr. MILNE: But does this not show that they carried freight at the same rates as other vessels?

Mr. BLACK (Halifax): I think they are carrying at about the same rates as other vessels now. They go in the market, and it may be that in some cases they cut a little to secure a cargo. Now, if the government enter into the owning and operating of steamers on the West Indian route or on any other route—I mean large fast steamers—I am perfectly satisfied the result will be disastrous; there will be a deficit year by year without any very great corresponding benefit. It would be far cheaper to give a subsidy to some first class English steamship company than for the government to continue to operate their own boats at a loss.

Mr. FINN: Mr. Chairman, I congratulate the hon. member for Cumberland on the able manner in which he dealt with the growth of trade relations with the British West Indies and other islands of the Caribbean. There was food for thought in almost every sentence, and the facts and figures that he placed on Hansard will prove both interesting and instructive to the people of this country. I have not the least doubt that the attitude of some of the people of this country toward the operation of a steamship service between Canada and the West Indies in connection with the Canadian National Railway system will at least be greatly changed. I am not at this late hour going to enter upon any detailed argument or any elaboration of facts in connection with the matters that were so well put before the committee by the hon. member for Cumberland (Mr. Logan) but those facts are sufficient to prove conclusively that there are great possibilities of growth of trade between Canada and the West Indies. When Sir Charles Tupper was in England endeavouring to counteract a movement on the part of the Hon. Joseph Howe to bring about a repeal of the union, he said to John Bright that if the union were displaced the greater part of eastern Canada would go into the United States. John Bright replied:

I cannot help thinking that it would be a good thing to see one government from the equator to the north pole.

Now, Sir, that day has passed. Canada is a nation extending from the Atlantic to the Pacific, and the idea of one government from the equator to the north pole can be carried out by including the West Indies in a free trade relation with Canada in order that we may be able to import into this country, as the hon. member for Cumberland said this afternoon, these tropical products which alone we lack to make us an independent nation in the sense of our having everything which is necessary for the life and comfort and needs of our people. That being the case, why should the government not address itself to the question of bringing about better trade relations with the West Indies and to that end establish a steamship service operated by the Canadian National Railway system that would be efficient in point of speed, passenger accommodation, cold storage and general freight capacity, a service that would cause trade to flow through Canadian channels rather than be sent through the United States ports by the steamers of the United Fruit Company?

I do not take the pessimistic view of the hon. member for King's, P.E.I. (Mr. Hughes) when he says that the Maritime provinces can never succeed industrially. The opening of the Panama canal has given us a great opportunity of carrying on water-borne traffic with the great province of British Columbia and, by rail, with Saskatchewan and Alberta. We have all the natural resources; we have the coal, we have the iron, we have the steel, and we have in Nova Scotia undeveloped water powers sufficient to enable us, with cheap transportation through the Panama canal, to compete with central Canada for the industrial business of British Columbia and some portions of Saskatchewan and Alberta. If that is true, then the pessimism of the hon. member for King's, P.E.I. in reference to the industrial future of the Maritime provinces is not quite to the point.

It seems to me that a red herring was drawn across the trail by hon. members during the discussion this afternoon and this evening by holding up the bugbear of the

Canadian merchant marine. The Canadian merchant marine was constructed during the war period and the years immediately succeeding the war. They were built with no objective as to the trade they were to enter; they were built for the purpose of carrying in the best possible way whatever was to be taken across the ocean, and they had to be built in the quickest possible time. If direct steamship connection with the West Indies in connection with the Canadian National Railway system is not to be had because of the failure of the Canadian merchant marine, then I submit we had better scrap it. We had better put that history behind us so that the future of Canada in its trade with the West Indies or with any other part of the Empire shall not be hampered or interfered with through the failure of the merchant marine to pay its way.

Let us look for a moment at the figures. The minister is asking for an appropriation of $340,000 for the steamship service between Halifax and St. John and the West Indies operated by the Royal Mail Steam Packet Company. The hon. junior member for Halifax (Mr. Black) knows these ships and how they are operated; it is his company in the city of Halifax that are the operators of them to a certain extent. He knows that one of these ships was lost off Bermuda some months ago and that the Royal Mail Steam Packet Company put in the service an inferior boat, a boat that does not carry passengers and does not conform to the requirements. The company are operating better ships on other lines, whereas the service given between Canada and the West Indies does not come up to what the contract calls for. The hon. member has rather damned with faint praise the suggestion of the hon. member for Cumberland and the statement of the Minister of Railways (Mr. Graham). He has held up the Canadian merchant marine as a nightmare to the Canadian people. We have to-day, Sir, 23,000 miles of railway operated by Sir Henry Thornton and his board of directors. That railway system has cost this country $1,386,000,000. We are told that these railways are the great feeders, the great conductors, the great centralizers of export and import trade, yet it is said that we should not have connected with these railways up-to-date steamship services in order that they may carry the traffic originating in foreign countries as well as in our own.

I think the minute the government decide to have the Canadian National Railways operate a steamship line to the West Indies they should get away from the name "Canadian Government Merchant Marine." Let that be something that is to be forgotten, and let the service be called the Canadian National Ocean Steamship Company, Limited. Let the ships be up to date, modern in every particular, capable of meeting the needs of the merchants of the West Indies and of Canada in that trade. If we take the subsidy of $340,000 and the deficit of last year on the Canadian Government Merchant Marine of $265,000, we get a total of $605,000. That is what this country is paying every year for its West India service. In ten years that is $6,050,000. Take the West Indian agreement, whereby the British West India islands agree when a new weekly service is inaugurated by Canada to pay $135,000 as their proportion of the subsidy. That means $740,000 a year, or $7,400,000 in ten years. I have it on good authority that four ships of modern type, of 12 knots, with passenger, freight and cold storage accommodation. can be built for $1,000,000 apiece; that is $4,000,000, and you have $7,400,000, which means that they will much more than pay for themselves in ten years. If this is a business proposition, then why should we have obsolete boats, to use the words of the junior member for Halifax? He said these boats of the Royal Mail Steam Packet Company could be operated much more cheaply than boats to be built by the government, and the reasons he gave were that they were of small value, which means poor boats, that the insurance rate was low, and the depreciation not very great. He estimated four new ships would cost $5,000,000. Taking his figures, and giving him the benefit of the doubt, say these four ships of the Royal Mail Steam Packet Company are worth $3,000,000, then this government and this country are paying the Royal Mail Steam Packet Company on their investment nearly 12 per cent; 12 per cent would be $360,000, and we are giving them $340,000.

I say that these facts give food for thought. It is a matter that should be approached carefully, wisely and cautiously. I think, as was foreshadowed by the Minister of Railways this afternoon, that during the vacation the Railway department, together with the Trade and Commerce department and the business men of the Maritime provinces and other parts of Canada and of the West Indies, should get together in order to see how the trade relation could be benefited and strengthened, and how a better steamship service could be obtained.. If it can be obtained in the way that was outlined by my hon. friend from Cumberland this afternoon, and which was intimated by the Minister

of Railways as the probable policy of the government, I think it would meet with the hearty approval not only of hon. gentlemen in this House, but of the country generally. We in the Maritime provinces are practically dying of ennui, and if we cannot build up our export and our import trade, if we cannot send the products of the Maritime provinces to the West Indies and bring back to Canada their tropical fruits and other products, then our last hope is gone. I remember as a boy the sailing fleets that used to go out of my home port, Halifax. There was the hum of industry and the din of traffic at that port then, and I tell you that to-day if it was not for the Canadian National Railway system, and the wise policy of Sir Henry Thornton, Halifax, would not be on the map as a port at all.

Speaking about the Canadian National and the operation of steamships, Sir Henry Thornton entered into an agreement with the Cunard and the White Star Steamship Companies this last winter, as a result of which he brought more tonnage and shipping to the extent of one million tons, to the port of Halifax in five months than came in during the previous year, and instead of bringing eleven thousand people to the port of Halifax in those five months, to be taken over the Canadian National, he brought twenty-eight thousand, or over 112½ per cent more. He sent his agents abroad, he had his steamship connections, and he got the business for his own railway lines. Now if he can do that with steamship companies that are independent of this government, if he has the foresight and the wisdom to work out a solution in conjunction with steamship companies not a part of his system, what could he not do if he was given reasonable latitude in developing an ocean steamship policy with modern up-to-date boats, to be operated in conjunction with the Canadian National Railway system. Who objects to that? Is there any shareholder of the Canadian Pacific who objects to that company operating their own steamship services? Look at their fleets of magnificent steamers, operating across practically every ocean in the wide world.

But my hon. friend the junior member for Halifax says: Oh, that is private ownership, and the other is government ownership. My hon. friend knows as well as I do that the Canadian National Railway system is operated by a private company, of which Sir Henry Thornton is the president, free from government control, free from parliamentary control outside of the estimates that are necessary to give him the money wherewith to carry on. If that is so, we should not as hon. members of this House allow our judgment to be warped because of private interests. We should stand for the public interest, as the public interest requires public men to do.

I can see the Halifax Herald of a few weeks ago, with blazing headlines, "Mr. Black Returning to Ottawa to Look After The Interests Of The Port Of Halifax." I hope, Mr. Chairman, that they will read Hansard to-morrow and see the faint praise that he gave the hon. member for Cumberland who is trying to build up a trade for the Maritime ports and help the people of the Maritime provinces by putting on a steamship line that would meet with the approval of our people, and make our hearts glad to see them coming into the ports of Halifax and St. John. He damned that proposal with faint praise because his duty, first, was not to the port of Halifax, but as I conceive it, to the Royal Mail Steam Packet Company, of which he and his company, Pickford and Black, Limited, are the managers and the operators at the port of Halifax to-day.

Mr. LOW: I just want to say a few words, Mr. Chairman, before the item carries. I have listened with a great deal of pleasure and deep interest to members on both sides of the House who have spoken on this subject of the development of our trade with the West Indies. I wish to join with other members of the House in congratulating the hon. member for Cumberland on his masterly presentation to the House this afternoon. It was one of the most informative, eloquent and constructive trade discussions to which it has been my pleasure to listen in this House.

I want to say just a few words in reference to the remarks of the right hon. leader of the opposition. He has apparently come to the conclusion that the members on this side of the House have changed their opinion of the merchant marine. He spoke of their vicious opposition to it as a reckless expenditure. I can only say to my right hon. friend that if any groups of men in this House were to propose the same plan, or the same scheme, I think that every hon. member on this side would oppose it just as vigorously as hon. members did on that occasion.

Mr. MEIGHEN: They did not oppose it at all.

Mr. LOW: I am using the words of my right hon. friend. I may be mistaken, but I took his words down.

Mr. MEIGHEN: That was after the construction was practically complete.

Mr. LOW: I think I took down my right hon. friend's exact words.

Mr. MEIGHEN: That is right but it was after the construction was practically complete.

Mr. LOW: The real difficulty is that the ships were not designed properly for the work they were to perform. The whole scheme was very ill-considered, and I am sure that if this government were to attempt to build vessels according to any such ill-considered plan as that of my right hon. friend many members of the House would oppose it. The junior member for Halifax (Mr. Black) said he did not think that the Canadian Government Merchant Marine could compete with other lines. In that I agree with him at the present. But what is the real cause of this? The reason is obvious. The ships are not designed or built for the purposes of trade between the West Indies and Canadian ports. I venture to say, however, that if the shrewd president of the Canadian National Railways undertakes to build ships and place a service upon that route he will do so in exactly the same manner as the Canadian Pacific Railway would do if they were undertaking such a service.

Mr. MEIGHEN: The same way as the "Palais Canadien" was acquired?

Mr. LOW: They would not be boats of the same style as those that were built by the government of my right hon. friend. In connection with improving the present West Indies service, I may say the lowest tender that was received for this service—and only one offer was received—was for $584,000, $243,000 more than the previous tender. In addition, a condition was attached to the offer namely, that the vessels of the Canadian Government Merchant Marine would have to be withdrawn from this route and service. Consequently, in addition to paying $243,000 more subsidy annually, our own Canadian Government Merchant Marine vessels would be debarred from taking part in a very valuable traffic, at least in so far as lines feeding the railways are concerned.

Now, much has been said about the development of our trade with the West Indies, and my hon. friend from Cumberland made the statement that he did not think many business firms were represented down there. I can assure him that many business firms are represented in the West Indies, but we have not the same number of trade agents located there that the United States have. The United States have many agents throughout the West Indies, who are supported by the revenue derived from the consular fee charged for viseing invoices and for other services. I think the fee applies on all invoices over $100. The government might well consider some plan of that kind. Trade with the West Indies has grown very greatly. May I quote from the 1922 report on Jamaica of the Colonial Office:

> With regard to the sources of supply and the destination of our products, it is noticed that in the case of the imports, marked changes have been taking place. In class 1 (food, drink and narcotics) the United States supplied only 37.4 per cent as against 54.9 per cent the year before, while Canada supplied 28.5 per cent as against 22.7 per cent in 1921; the remainder being evenly divided between the United Kingdom and other countries. In this connection it may be mentioned that there was an increase in flour of nearly 82,000 barrels from Canada, representing a little over £100,000 in value. The preference of 1s. (duty) per barrel given by the tariff was no doubt largely responsible for this increased importation from Canada. In addition to this, Canada now supplies fully 65 per cent of our butter and the major portion of our cheese and fish.

This indicates somewhat the opportunities for future trade development with these islands, and I am sure the government would be justified in doing everything possible to extend that trade. I shall only be too pleased as Minister of Trade and Commerce, to do anything I can towards that object.

Mr. MEIGHEN: There is only one thing more I want to say in reference to a statement by the minister; I know he made it inadvertently. I want to warn him against putting his foot in a very bad and deep hole. He is anxious to foster trade, but the only specific suggestion he made was that we might adopt the system of having consular trade agents similar to that which the United States follows, and having those trade agents remunerated by fees, or largely by fees, on export invoices. That appeals apparently to the minister. My warning is this: That he should look up the debate of 1921. In that year we brought into parliament this proposal. It met with fierce opposition from his friends. My hon. friend was not in the House at the time. My recollection of its fate is that it passed this House, but that his government abandoned it. I would not like him now to commit himself too closely to a programme which was so treated at the hands of his party.

Mr. LOW: I did not say that I was strongly in favour of it. I merely said the plan was worth considering.

Mr. MEIGHEN: Worth re-considering put it.

Mr. LOW: No, worth considering.

Mr. MEIGHEN: I would put it, worth re-considering.

Item agreed to.

Canada and South Africa, steamship service between, $125,000.

Mr. MEIGHEN: Are we to sit until after midnight? We have taken up time to-day which has been pretty well distributed. We have no nights now at all. We are sitting late every night, and it is nearly midnight again.

Mr. LOW: The summer is coming and we would like to get through as soon as possible. I think we might proceed for a little while longer. I may say this item has been reduced by $21,000.

Mr. MEIGHEN: What company is giving the service?

Mr. LOW: It is the Elder Dempster Company with offices in Montreal.

Mr. MEIGHEN: Is it the same service as before?

Mr. LOW: Yes.

Mr. HANSON: How many trips a year are given?

Mr. LOW: Eleven trips a year.

Mr. HANSON: St. John or Montreal?

Mr. LOW: Montreal in the summer time and St. John in the winter time.

Item agreed to.

Canada and New Zealand on the Pacific ocean, steam service between, $100,000.

Mr. MEIGHEN: Is this the same service as before?

Mr. LOW: Yes.

Mr. MEIGHEN: How many trips a year?

Mr. LOW: Twelve trips.

Mr. MEIGHEN: What goods are carried?

Mr. LOW: Lumber is one of the large items.

Mr. MEIGHEN: Seeing that the merchant marine boats are practically only fitted for lumber, according to the hon. member for Lunenburg (Mr. Duff), how is it that one of our own boats does not run on this service?

Mr. LOW: The articles carried are: Canned salmon, fresh fruit, potatoes, onions, leather, rubber boots, lumber, codfish, whiskey, bicycles, chairs, horses, suspenders, sewing machines, hardware and machinery.

Mr. MEIGHEN: The minister knows that the boats of the merchant marine can carry

that class of freight all right, and it is practically all lumber anyway. Why has he not a merchant marine boat on this service, if he believes what his friends have been arguing all day?

Mr. LOW: This is a passenger and mail service, as well as freight.

Mr. MEIGHEN: The minister said nearly all lumber.

Mr. LOW: Freight is carried in addition to the passenger and mail service.

Mr. LUCAS: What company is the contract made with?

Mr. LOW: The Union Steamship Company of New Zealand. New Zealand contributes $100,000 and the Fiji government about $25,000.

Mr. MEIGHEN: Do we bonus boats to carry passengers?

Mr. LOW: No, but my hon. friend asked me why the merchant marine could not operate this service, and I replied that it was a passenger service as well as a freight service.

Mr. MEIGHEN: I know, but we are not interested as a government in the passenger end; we are interested in the freight end, to get sale for our goods. The goods we sell can go on the merchant marine boats. If what the government says about these boats is correct, they should be on this service.

Mr. LOW: I doubt very much whether it would be possible to make it pay with the freight service alone.

Mr. MEIGHEN: I doubt very much if there is much else. We have not much passenger business to New Zealand. That business would not sustain anything at all.

Mr. LOW: There is a passenger traffic through Canada en route to England, and there is a passenger service as well to Australia.

Mr. MEIGHEN: It goes to Australia?

Mr. LOW: Yes. We do not subsidize it to Australia.

Mr. MEIGHEN: There might be a very little service to England, but there are other boats to perform that service. I think if the minister will wait till morning he will find out that our boats will not carry lumber. That is usually the verdict. There is always something else they will not carry.

Mr. LOW: Perhaps not. My hon. friend knows better than I do about that.

Item agreed to.

Prince Rupert, B.C., and Queen Charlotte islands, steam service between, $21,000.

Mr. LUCAS: Are these yearly contracts?

Mr. LOW: This contract is for three years. It was made last year.

Mr. MEIGHEN: Are there any boats carrying grain out of Prince Rupert?

Mr. LOW: Not that I know of—no elevators out there.

Mr. MEIGHEN: Where does the minister expect to get the boats when the new elevator is put up for the Prince Rupert route?

Mr. LOW: I am sure there are many vessels that will be glad to go into Prince Rupert if they can get a cargo.

Mr. MEIGHEN: And around by the Panama canal?

Mr. LOW: I do not know what route they will follow. They will follow the route which will be to the best advantage.

Mr. MEIGHEN: Would the Panama not be the only route?

Mr. LOW: It would depend on where they were going.

Mr. MEIGHEN: But for grain.

Mr. LOW: There is a trade developed with the Orient.

Item agreed to.

Victoria and San Francisco, steam service between, $3,000.

Mr. LOW: I do not think this item is debatable. We are compelled by the order in council pursuant to the British North American Act admitting British Columbia to confederation to keep up this service.

Item agreed to.

Victoria, Vancouver, way ports and Skagway, steam service between, $25,000.

Mr. HANSON: What company is that?

Mr. MEIGHEN: Is this under the British North America Act?

Mr. LOW: The item just passed, the Victoria and Sam Francisco service is the one to which I referred. If my right hon. friend has any doubt, that the order is pursuant to the British North America Act I will read the clause to him. It is as follows:

The Dominion will provide an efficient mail service fortnightly by steam communication between Victoria and San Francisco and twice a week between Victoria and Olympia, the vessels to be adapted for the conveyance of freight and passengers.

That is a clause in the order in council pursuant to the British North America Act, admitting British Columbia to confederation.

Mr. MEIGHEN: Then my answer was right.

Mr. HANSON: What company operates this service?

Mr. LOW: The Canadian Pacific Railway Company operates this Victoria-Skagway service.

Mr. HANSON: Is there a suggestion that the Canadian Government Merchant Marine should enter into the service or the Canadian National? I understand they are looking for a steamer; they wish to have one built or buy one to put on this service?

Mr. LOW: I have no knowledge of it.

Mr. LUCAS: Will this pay for the cost of carrying the mail.

Mr. LOW: Yes, any boat we subsidize is compelled to carry mail.

Item agreed to.

Vancouver and Northern ports of British Columbia steam service between, $24,800.

Mr. MEIGHEN: What company has that contract?

Mr. LOW: The Union Steamship Company of British Columbia.

Item agreed to.

Mr. MEIGHEN: The minister is not going to ask us to deal with the other items to-night.

Mr. LOW: I would like to make a little progress.

Mr. MEIGHEN: You have made a lot of progress.

Mr. LOW: Let us proceed a little further.

Mr. MEIGHEN: Some hon. gentlemen may want to discuss these items.

Mr. LOW: I do not want to press the matter, but I want to make progress.

Mr. MEIGHEN: You have made progress.

Mr. LOW: I do not think so.

Mr. MEIGHEN: I do not think you will make any progress by pressing it further to-night.

Mr. LOW: If there is any special item my hon. friend wishes to have stand over, I am quite agreeable.

Mr. MEIGHEN: We have not obstructed anything to-night.

Mr. LOW: Let us take the items to the bottom of the page; they are only small ones.

Mr. MEIGHEN: There may be some discussion, and you have done very well. Any delay which has occurred to-day has been on the debate brought about by an hon. member on the minister's side of the House. Why should he press the House further?

Mr. LOW: Then I will stop for to-night.

Progress reported.

NATIONAL RAILWAYS AND SHIPPING

SELECT STANDING COMMITTEE

Hon. T. A. LOW (Minister of Trade and Commerce) moved:

That the name of Sir Henry Drayton be substituted for that of Mr. Ladner on the standing committee on National Railways and Shipping.

Motion agreed to.

On motion of Mr. Macdonald (Pictou) the House adjourned at 11.55 p.m.

Friday, June 13, 1924

The House met at three o'clock.

CIVIL SERVICE SUPERANNUATION

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, the special committee appointed to consider Bill No. 122, an act to provide for the superannuation of civil servants, beg to submit the following as their first report:

Your committee recommend that they be empowered to sit while the House is in session.

I move that the report be concurred in.

Motion agreed to.

HOME BANK.

Sir HENRY DRAYTON (West York): I beg to lay on the Table of the House a petition by depositors of the Home Bank for the return of deposits.

SALARIES OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, in view of the very general dissatisfaction among the postal employees in regard to the new salary schedule, is it at all possible that the government can reconsider the question?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There must be some final court of appeal for decision in these questions of salary. Parliament has assigned to the Civil Service Commission the duty, amongst other things, of determining the salaries to be paid to civil servants. The government, in order to ensure the fairest possible consideration for civil servants in that connection, required that the Civil Service Commission should prepare its report in conjunction with the deputy ministers, and also in conjunction with the Audit Board. The government has taken particular care to see that the commission should carry out its wishes in that regard, and has on two or three different occasions referred back the report submitted by the commission to the government, before its final acceptance. I may mention that on the first or second occasion on which the Civil Service Commission submitted its report the report was signed by two of the commissioners. The postal employees requested that if possible the government obtain the signature of all three commissioners before accepting any report from them. The government insisted on that additional step, and the position of matters now is that the report has been made. The government had either to approve it or disapprove it. To disapprove it was to leave the salaries where they were; to approve it was to give effect to such increases as had been made by the Civil Service Commission. Unless parliament is prepared to revise the act which refers these matters to the Civil Service Commission and transfer the authority to some other source, I do not see that it is possible for the government to consider the report further. It would simply mean sending it back to the commissioners who would return it with the statement that that was their final judgment. I may add that they have set out at considerable length, in the statement accompanying the report, the reasons which have actuated them. The Audit Board has also placed its views on record. All these different views have been presented to the House in the papers which I have laid on the Table.

Mr. J. H. HARRIS (East York): I do not find among the papers that were laid on the Table the correspondence exchanged between the Post Office Department and the Civil Service Commission. Will the government lay that on the Table?

Mr. MACKENZIE KING: I asked the Civil Service Commission to have us supplied with all the correspondence which passed between the Commission, the Audit Board and the Post Office Department, and my understanding is that that has been done. There may have been verbal interviews a record of which has not been kept and to which no reference is made in the file brought down. But my understanding is that the two returns brought down—I do not know whether my hon. friend has both of them there—include all that there is in the way of correspondence.

Mr. HARRIS: Do I understand that all the correspondence between the Post Office Department and the Civil Service Commission has been tabled?

Mr. MACKENZIE KING: According to the statement of the Civil Service Commission, yes. I have asked the Civil Service Commission for a copy of all the correspondence that passed between the Post Office officials and themselves and the Audit Board, and the return which I have presented is the response made by the commission. But I will have further inquiry made and if there are any other papers I will have them brought down.

VISIT OF BRITISH NAVAL SQUADRON

On the Orders of the Day:

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, I desire to direct the attention of the House to a despatch appearing in the morning papers from Vancouver containing a statement made by one of the papers in that city with reference to the forthcoming arrival of the British special service squadron on June 21. The Vancouver paper states that there will be no member of the Dominion government to welcome the ships, and it goes on to say that despatches from Ottawa indicate that members of the cabinet are too busy in the House to come to British Columbia, and that the British Columbia people are not quite satisfied with the situation. It goes on to say:

> They recall that when the fleet was at South African ports Premier Smuts extended the welcome. In Australia Premier Bruce met them, and Premier Massey extended a welcome at New Zealand.

It goes on to say that Ottawa has shown little interest in the visit of the fleet, and it continues:

> Its grant toward entertainment has disappointed Victoria and Vancouver, and there is a growing feeling that the Dominion authorities are conserving their energies in this respect until the warships reach Halifax and Quebec in August.

I desire to say that this statement is a very unfair one. The attitude of the government toward the cruise of this squadron and its visit to our Canadian ports is one of the friendliest interest, and we are animated only by the desire to extend the fullest and most appreciative welcome to those representative ships of His Majesty's navy. Our friends in British Columbia are hardly right in their reference to the visit of the squadron to Australia. The visit to Australia took place in March last, and the ships first called at the port of Freemantle, where they were received by the Governor of the state, and it was not until they had practically made the round of the island of Australia and came to Melbourne that Premier Bruce welcomed them there officially on behalf of that Dominion, Melbourne being the capital of the state. What we have done in regard to extending a welcome to the squadron has been that on behalf of the government, the officers of the squadron will be entertained on their arrival on the Pacific coast at a formal dinner, and in conjunction with the government of Alberta we have arranged to take twenty-five officers and two hundred and fifty of other ratings on these vessels through to Edmonton, visiting intermediate points, and from Edmonton to Calgary, and then back to Vancouver. We have asked the Lieutenant Governor of British Columbia to officially welcome the officers of the squadron to Canada on our behalf, and to preside at the official dinner which is to be given them on their arrival.

The squadron also expects to visit Halifax and Quebec, and I am sure that our friends in British Columbia can feel that there is no desire to discriminate, and there will be no discrimination, in regard to the expenditure of money as between the eastern ports and that great city on the Pacific coast.

As to the question of the right hon. the Prime Minister going out at this time to officially welcome the squadron, I am sure it is the judgment of the House, and that it would be in the judgment of the country, that it can hardly be expected that the House could spare the presence of its leader at this time, no matter how keen he may be to show the greatest possible attention to the officers of the squadron. For a similar reason I think the House will feel that this duty, which might otherwise fall upon me, would be rather difficult to perform at this time, having regard to the important matters before the House. We are looking forward, however, to having the representatives of the officers of the squadron visit the capital of

Canada in the month of August, when I am sure the country will expect the Prime Minister and other representatives of the government to extend to them an official welcome similar to that which was extended in Australia by Premier Bruce.

GOLD AND SILVER MARKING ACT, 1913, AMENDMENT

Hon. T. A. LOW (Minister of Trade and Commerce) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Gold and Silver Marking Act, 1913, to provide a standard quality for platinum goods.

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

Mr. LOW: This amendment is intended to provide a standard quality for platinum goods; in other words, to give the same protection to platinum goods that is afforded to gold and silver goods.

Sir HENRY DRAYTON: What standard of value does the minister propose to erect? Perhaps he might tell the committee how we are getting along in our production of platinum?

Mr. LOW: My hon. friend is aware that gold and silver goods are required to be stamped, and a similar provision in regard to platinum has been requested by the Jewellers' Association of the Dominion of Canada. Three or four hundred representatives of that association, sitting in assembly I think in the city of Windsor, passed a resolution asking the government to provide the same protection for platinum goods as is afforded to gold and silver. The bill provides that the word "platinum" shall be included after the word "silver", so that it will read, "gold, silver and platinum goods."

Sir HENRY DRAYTON: Is it the idea that there should be any alloy of any kind allowed, or is it to be of one hundred per cent fineness, or what?

Mr. LOW: It is proposed to amend the act by adding the following section:

The word platinum or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum of which said article consists are either the pure metal and element platinum alone or in conjunction with iridium.

[Mr. E. M. Macdonald.]

Resolution reported, read the second time and concurred in. Mr. Low thereupon moved for leave to introduce Bill No. 176, to amend the Gold and Silver Marking Act, 1913.

Motion agreed to and bill read the first time.

SUPPLY

PUBLIC WORKS

The House in committee of Supply, Mr. Gordon in the chair.

Harbours and rivers—Manitoba—harbours and rivers generally, repairs and improvements, $10,000.

Hon. J. H. KING (Minister of Public Works): There has been a reduction in this vote of $5,000. The amount is required to make provision for repairs and improvements to harbour and river works under the control of the Department of Public Works in the province of Manitoba. It is the regular vote.

Mr. HOCKEN: Where is the money to be spent?

Mr. KING (Kootenay): It is to be spent on the care of the harbour and river works under the control of the Department of Public Works.

Mr. HOCKEN: On the Red river?

Mr. KING (Kootenay): On various rivers. Last year there were expenditures on the Pas river, the Red river, and Victoria beach.

Item agreed to.

Portage la Prairie—sewer extension, $23,000.

Mr. KING (Kootenay): I think I shall give a review of what led up to this expenditure. The matter was discussed very fully in the House last year. In the year 1908 a petition to the Dominion government from a number of people living in the vicinity of Portage la Prairie suggested that the river would be relieved during the time of the spring freshet by the digging of a cut or canal which would straighten the river at that point. The work was undertaken and carried on, and each year during the flooded time it served a useful purpose until 1921 or 1922. The cut then widened to such an extent that it left the bed of the old channel dry, and in that way exposed the sewer outlet of the city of Portage la Prairie. The city complained very bitterly to the department of this condition, which had arisen, as they claimed, from the activities of the department, and last year we brought in a vote for the work. A good deal of correspondence and negotiation took place with the city in order to bring about a condition that would be satisfactory to the citizens. Finally tenders were

called for and three bids were received, the prices varying from $76,300 to $99,219. These tenders were above the estimate prepared by the departmental engineer whose estimate was $60,000 odd. We rather hesitated to let the contract on account of the variation between the estimate of the departmental engineer and the contractors' tenders. However, it was claimed that owing to the nature of the soil in that district it was very difficult to ascertain what would be encountered after getting below the surface. Experience had shown the contractors that in this deep trenching there was a probability of caving in and great uncertainty, as to what might happen. However, we let a contract in December of last year for the work. It has been proceeded with, and I believe the sewer is satisfactorily installed. Just at this point I wish to state that the fears of the contractor were somewhat realized, because after he had dug this trench three feet wide, which was the intended development, he found that he had to put in cribbing. This made it impossible for him to place his eighteen-inch sewer pipe and be able to caulk the joints. The result was that he had to move another foot of dirt on one side of the trench for its entire length. I mention this because the contractor has made a claim upon the department for this extra work. The matter is under consideration, and the district engineer has advised that the department should give the contractor consideration as to the actual cost. The committee will be advised if the matter comes up in the supplementary estimates.

Sir HENRY DRAYTON: What was the amount of the tender that was accepted?

Mr. KING (Kootenay): It was $76,300.

Mr. CALDWELL: What was the estimate of the departmental engineer?

Mr. KING (Kootenay): It was $62,000.

Mr. CALDWELL: Did the minister not tell us that the tender exceeded the estimate of the departmental engineer because of the uncertain conditions which the contractor expected to encounter? And is it not fair to suppose that his tender was high enough to cover the conditions which he feared might be met with?

Mr. KING (Kootenay): He claims not. He figured he would get through with a three-foot trench, but such an amount of cribbing was required that he had to enlarge his trench to four feet. The vote we are asking for is to cover the present contract.

Mr. CALDWELL: Without any extras?

Mr. KING (Kootenay): Without any extras.

Sir HENRY DRAYTON: Has this work been done to the satisfaction of the town, and will it prevent the flooding that has caused so much damage in the past?

Mr. KING (Kootenay): This work was done to take care of the sewerage outlet of the city, so that the outlet will be protected. We have not done anything to the river itself under this expense.

Sir HENRY DRAYTON: I have a lively recollection of what was said by my leader (Mr. Meighen) in the House last year on this subject. I am under the impression his thought was that the department was going to relieve the district from the direct results of departmental work. Now, I understand this work is merely to look after the sewer, and not to provide against the flooding at all.

Mr. KING (Kootenay): We have tried to accomplish what the city desired and I believe the work has been done to its satisfaction.

Mr. MEIGHEN: I may say that I have heard no complaints, although there may be some which have not come to my attention.

Mr. KING (Kootenay): I think the work is satisfactory to the city.

Mr. LEADER: I believe the work is satisfactory to the city of Portage la Prairie, at any rate there has been a statement in the newspapers to that effect. I wish to take this opportunity to congratulate the minister and the government upon taking hold of the situation and putting it back to where it was in 1908. What I mean by that is this: The department diverted the water of the river by digging a canal in 1908. Through the subsequent years up to 1922 there was a gradual wearing away of the cut thus creating a bigger canal. Finally it took the whole course of the river, thereby leaving bare the mouth of the sewer of the city of Portage la Prairie. This created a very disagreeable and very menacing situation and overtures were made to the government on the subject. I am glad to be able to say that the department took hold of the situation and put it back to where they found it in 1908. I believe the citizens of Portage la Prairie duly appreciate the fact and I think I can convey their thanks to the government for their prompt action.

Mr. CALDWELL: Do you think the work has been economically carried out?

Mr. LEADER: The situation was very unpleasant. It had to be taken care of. Whether the work was economically carried out or not I cannot say, but I believe it is satisfactory.

Mr. MILLAR: Speaking generally, and not with any particular reference to this work, does the minister think it is sound business to give such favourable consideration to claims for extra remuneration because of unforeseen circumstances, such as have been referred to in this case? It seems to me it works an injustice to others. What happens in a case like this? Tenders are called for, and one firm puts in a bid that they look upon as final. If their hopes are realized they make a profit, and if not they lose. Another firm puts in a tender a little bit lower and secures the contract, with the intention of making a further claim later on. I am afraid that is often done and I do not think it is wise or fair. If a firm find they have made considerable money, and these unforeseen difficulties did not turn up, they do not refund anything to the public treasury.

Mr. KING (Kootenay): These things come up in regard to the contracts from time to time. I have not made up my mind as to what shall be done in this matter. Representations have been made by the engineering department. I would not suggest that the government go further than the actual cost of this unforeseen work. That is a matter to be discussed when they ask for a further amount later on. Each contract and all the conditions must be considered on their merits. In this case there was a great variation in the tenders, ranging from $70,000 to $99,000,—indicating that in the minds of the contractors there was an unforseen quantity there that was very difficult to judge.

Mr. HOCKEN: This contractor expected to take out a three-foot trench and he found he had to take out a four-foot trench. Will the engineers of the department say that the extra foot was necessary? Or was it just a little bit of a job he added?

Mr. KING (Kootenay): No, it was necessary.

Sir HENRY DRAYTON: What is the name of the contractors?

Mr. KING (Kootenay): Fowler, Young & Co., Winnipeg.

Sir HENRY DRAYTON: In connection with the remarks of my hon. friend as to the advisability of making favourable settlements with contractors, we saw an illustration of that in the closing days of last session. We saw what could be done, how it could be done, and how it is done sometimes. It is perfectly true, as the minister says, that when a man tenders he takes a considerable amount of risk, and the tenderer who thinks he will have to rely upon his strictly legal rights is in one position but the tenderer who has not got to do that is in another position. The minister says that is perfectly correct, but it works out absolutely unfairly as between contractors and makes for the payment of grants which sometimes depend upon the pull of the contractor. These grants certainly are not founded on legal claims. The minister says that by reason of the fact that there were difficulties known to the contractors in that district, having regard to the soil, he came to the conclusion that the estimates of his own engineers—something about $62,000—might not be sufficient. This contractor, knowing of these differences of soil, apparently thought that was a good excuse for getting a higher price than the department thought the work was worth, and receives a contract for $79,000; then the minister says, "Well he was right in wanting more money, because there was some difficulty; he has had to take out an extra foot." The fact that he took out the extra foot is no indication that the estimate of the Department of Public Works for $62,000 was not perfectly correct. The contractor is already paid in advance by the difference between the $62,000 and the $79,000 at which figure the contract was awarded. The situation as explained by the minister is simply this: Here is an estimate, and so far as the department is concerned it is an honest estimate. The contractors say in effect "We know this country and you do not; it is going to be more expensive." They went on and did the work and also performed the extra work; and because they did know the soil better and found there were some difficulties, they were to get paid for their difficulties as well.

Item agreed to.

Victoria Beach—wharf repairs, $4,500.

Sir HENRY DRAYTON: Is that a public wharf?

Mr. KING (Kootenay): This item is for the following work:

To renew the stringers and decking, also to cut off the top portion of closely driven round piles—about four or five feet, now rotten and falling to pieces—and replace same with timbers laid longitudinally.

Mr. FORKE: I understood there was some embankment made on the Assiniboine river to

prevent flooding. Has anything been done in that respect?

Mr. KING (Kootenay): Between what points?

Mr. FORKE: Between Winnipeg and Portage la Prairie. I understood surveys were to be made of the river and some report made as to whether anything could be done to prevent flooding. A tremendous amount of damage is done every year by the Assiniboine overflowing its banks and destroying highway grades and flooding lands. I have never seen any reports in connection with that matter.

Mr. KING (Kootenay): Surveys have been made and the matter is still being developed in the engineering department. The work involves a very considerable sum of money, and we are not bringing down any estimate for it this year.

Mr. FORKE: Fortunately the water was very low this year and there were no complaints; if the water had been high as usual, there would have been a tremendous amount of damage. As soon as one flood passes over people forget about it until we have another flood.

Mr. KING (Kootenay): Fortunately the floods do not come every year.

Mr. FORKE: They come pretty frequently.

Item agreed to.

Fort Resolution—wharf, $5,120.

Mr. KNOX: I call the minister's attention to the fact that some improvements are required on the river leading from Montreal lake out into lake Laronge, which is an extension of the Churchill river. This is a highway leading into the north. A wagon road has been constructed from Prince Albert to Montreal lake, largely by the provincial government; but, although boats are passing through regularly on the river I spoke of, there are some obstructions between Montreal lake and lake Laronge, which impede progress very much, and I have been informed it would not require a very large amount of money to remove the obstructions which are in the form of boulders in the river. If this were done the outlet into the north country would be very much improved. Will the minister have this matter looked into and brought to the attention of the department?

Mr. KING (Kootenay): Yes, I shall be glad to do so.

Mr. COOTE: Has the minister an appropriation in this amount to take care of the damage at High river.

Mr. KING (Kootenay): There is no special appropriation for that. My hon. friend has made representations regarding certain river banks where work should be done; the department has had reports; and negotiations have been proceeding between the municipalitiy and individuals interested, the department at Ottawa and the provincial government. I think there has been a suggested authorization, on condition of joint expenditures by the municipalities and the province.

Mr. COOTE: I understand that the department was willing to expend $2,500 if the municipality and private owners would take care of the balance. I see from a communication in the High River Times that the town authorities think that the amount which was at first estimated as being necessary to cover the cost of the required work might not be nearly sufficient, and they are reluctant to embark on the work until they can have some assurance that this amount would be large enough. I should like, if possible, to have the assurance of the minister that his engineer would visit High river again as soon as possible, and that whatever amount is necessary to take care of the share which the Dominion government is willing to assume will be provided, should that be possible.

Mr. KING (Kootenay): While discussing this item and the reference my hon. friend has made to expenditures at High river, I might explain to the committee the attitude of the government, or the Department of Public Works, in regard to works of this character. There is no legislative authority as to the manner of control of these rivers. The practice followed from time to time in the past where representations have been made by members of parliament, boards of trade, municipalities or provinces, for expenditures, has been to deal with each case more or less as an individual case. We are rather taking the position that in the case of river bank protection, the people who have located on the river bank, who have property there, are the people primarily interested in saving their property. If the project is beyond them and they are in a municipality, we feel that this becomes primarily the duty of the municipality. If it is beyond the municipality and a public interest is involved, we feel that the provincial government should interest themselves. If it is found that the matter is beyond the individual, the municipality and the provincial government, and that there is

a Dominion interest, I think the department and the government are willing to consider each case on its merits. It is only fair, however, to say that these expenditures are asked for from time to time, oftentimes without much consideration as to the cost and the effect the work may have on the river generally. This matter which we discussed just a few moments ago was entered into on a petition in 1908, and it resulted in parliament this year being asked for a vote. I am satisfied that if the municipality of Portage la Prairie had been a party to that arrangement and the matter had been done along proper lines, there would have been a different story to tell to-day and we would not be voting this money. We are being asked, from time to time, through not only the prairie country but the whole of Canada, to come to the relief of individuals, municipalities and cities by way of expenditures on river-bank protection. If we could lay down a principle such as I suggest, many of these cases would not come to government or to parliament and expenditures would not be asked for. I am satisfied, if that principle was laid down and followed, a request of that kind would be jointly examined and reported upon, and I believe the result would probably be better than it has been in the past. In the prairie provinces, Alberta, Saskatchewan and Manitoba, where the Dominion government control the natural resources and the land, the case is different sometimes from that in eastern Canada and in British Columbia, outside of the railway belt where the river bank and the bed of the river are owned by the province. At the present time in the Northwest Territories and the railway belt the Dominion government still owns the river banks and river bed. I thought I would just make this statement so as to make clear, if possible, the line that the department is following as regards matters of this kind.

Mr. HANSON: What does the minister mean by the "bed" of a river? Does he mean that the alveus of the stream belongs to the province, or does he refer to some navigable stream? I can understand, in the case of navigable rivers, if repairs are needed, the Dominion might have an interest, but I do not understand why the Dominion should be called upon to repair erosions of banks of streams merely for the purpose of protecting private property. Such a thing would be unheard of in New Brunswick. In the St. John river, for instance, the individual is largely responsible for the care of his own bank unless there is a highway along the bank, in which case the province takes care of the matter. I have never before heard of the Dominion being expected or asked to take care of a situation of that kind, and it will be news to the people in the East that that has been done.

Mr. KING (Kootenay): It has been done.

Mr. FORKE: Both the Red river and the Assiniboine river are navigable streams theoretically. As a matter of fact they are not, but they are considered to be, navigable streams.

Mr. KING (Kootenay): They have a very large quantity of water in them at certain seasons of the year and they become very dangerous.

Mr. COOTE: Highwood river, that is down the river in this municipality, is navigable in certain parts; but at the point where the damage has been done it is not navigable. At the same time I think the municipality is quite justified in asking this government for some assistance. The Dominion government own the water in all the streams in Alberta; they own all the natural resources; they own the land along the banks of those streams. The provincial government never had any jurisdiction over either the water in the streams or the land alongside of them. If the damage is more than the property owners and the municipality can take care of, if any government is to assist those people, it should be, I say, the Dominion government. I do not think this is the first occasion upon which the federal government has been asked for help in such cases or the first occasion that they have given help. Highwood river is a mountain stream and it is subject to very sudden freshets in the spring of the year when the snow on the mountain melts. One year ago the flood was very much worse because we had about two weeks' heavy rain at a time when we usually get high water. The town of High River was flooded. The main street, I think, was under two or three feet of water for days at a time. The river threatened to break through and change its course, in which case probably most of the water would have gone down the Little Bow river. The Irrigation department of the federal government did some work along the banks of Highwood river to prevent the river from changing its course. They did this, I understand, because the Canadian Pacific Railway Company have water rights on Highwood river for irrigation purposes, and if this water were diverted to the Little Bow river the Canadian Pacific irrigation district would go short of water. If the water had been allowed to take its course and go down Little Bow river, it is quite possible the town. of

High River would not have been in danger in any way. Therefore, I think there is no doubt that the Dominion government has some responsibility, and the Minister of Public Works has taken a fair attitude in regard to the work at High river.

Many public works entered into in Canada should be entered into on the basis which the minister has suggested. If municipalities in many cases where they want post offices built were required to put up forty or fifty per cent of the cost of the building, the Department of Public Works, I am sure, would not be called upon to erect so many post offices.

Mr. HANSON: Does the hon. member think that the cases are comparable? The post office in a community such as the one I represent is a money-making proposition for the government; a much larger revenue is taken in than the cost involved in running it or the capital expenditure incurred in the building itself. The two things are not comparable.

Mr. MICHAUD: I might tell the hon gentleman too that in my own town we have paid in the last ten years over $1,000,000 to the treasury although we have not a public building.

Mr. HANSON: That is right.

Mr. COOTE: The town of High River I have no doubt has contributed a good many dollars to the revenue of the country; I am not saying anything about that. I know, however, that some work has been done under the vote for harbours and rivers in Ontario which would never have been done if the municipalities had been required to bear any percentage of the cost. But I do not wish to dwell on that feature; we could bring before the committee a good many cases in which money could have been saved to the department in this way. But I do ask the committee to take a fair view of the situation in regard to those towns that are exposed to damage from floods. I want to bring to the attention of the minister the circumstances in connection with the town of Blairmore, where last year at about this time the Old Man river overflowed its banks and the town was flooded. A number of the streets were practically washed away; several bridges were destroyed to the value I think of $44,000; several of the houses in the town itself had to be moved back from the bank of the river to escape being carried away; the cribbing along the bank of the river for a distance of 2,200 feet was completely washed out; and altogether the town was severely damaged. That town is not financially able to cope with what I think I might term in this case a disaster. If another flood had occurred this year as bad as that of last year there is no doubt in my mind that a considerable portion of the town would have been swept away. The council of the municipality at Blairmore appealed to this government for assistance a year ago, but up to date the department has not seen fit to grant any money to assist in repairing the damage that has been done. The department did send an engineer to Blairmore and he submitted a very complete report of the situation. I am sure that the minister himself is very anxious to give what assistance he can; at any rate he must certainly realize the necessity of granting some money for the erection of the necessary works in the town. His engineer reported that the cost of the dredging and the cribbing which would be necessary to control the river would total $74,100. I want to ask the committee whether they think that a little town with a population of 2,500 could possibly be expected to bear that cost? The Western Canadian Collieries, whose works are located there, have offered to do the work for approximately $50,000. This company operates large coal mines in the town, which is practically dependent on the operation of the mines. The property of the company has been badly damaged by the flood and for that reason they are willing and anxious to co-operate with the municipality towards the construction of the necessary works so that they will not suffer again in the same manner. I want to point out to the committee, and particularly to bring to the attention of the minister, the fact that this government has collected in coal royalties from this company alone the sum of $468,400 in addition to lease rentals to an amount of $33,300, and for coal lands purchased by the company to the extent of $128,300. This makes a total of $630,000 which has been paid by this one company at Blairmore. Besides this, the government has received from other companies operating in that district the sum of $796,000, or a total of $1,426,699 received directly from the operators of coal mines in the district. I believe that the town of Blairmore and the property owners affected are quite willing to provide a percentage of the cost of constructing the necessary works, but they are unable to shoulder the entire expense. It is for that reason that I am appealing to the committee and particularly to the minister to bring down an amount in the Supplementary Estimates to take care of part of the cost of erecting the protection works along the banks of the Old Man river through the town of

Blairmore. I should like to have an assurance from the minister that this will be done.

Mr. KING (Kootenay): I would hesitate to give such an assurance. I have contended that in regard to the condition in the town of Blairmore there is some responsibility on the provincial government, who do collect certain revenues from the community and who therefore should interest themselves, along with the municipality, in getting things straightened out. If that were done I would then be more confident in coming to parliament to ask for a vote for this necessary work—for I believe it is necessary. The Old Man river, as has been said, is a mountain stream and in the spring season it very often becomes a torrent at this point and is very difficult of control, so that the people of the town are exposed to periodical floods. This condition however is not peculiar to that section alone. Indeed, rivers all over the world get beyond control at times and cause great damage. We are trying to take care of the situation as best we can, dealing with each case as it comes before us.

Mr. LEADER: I wish to support the minister and the hon. member (Mr. Coote) in the statement that taking care of flooded areas, repairing the dykes on the rivers, and matters of that nature, is a joint responsibility which should be shared by the municipalities and the provinces along with the Dominion. Last year the minister will remember a delegation from Portage la Prairie waited upon this government and requested either the straightening of the Assiniboine river or the repairing of the dykes in order to meet the situation that develops in that district every few years as a result of floods. I stated before that delegation at that time—

4 p.m.

and my position in this matter is well known—that in my opinion the province together with the municipality of Cartier and adjoining muncipalities through which the river runs should be prepared to come to the government with a concrete proposal and be willing to assume a certain proportion of the cost required to give the river its proper course. The difficulty, I think, was that we were not in a position to submit any plan of joint action. Fortunately there has been no flood this year, and that explains why the demand upon the government has not been renewed. No doubt, however, the question will come up again in the future; the settlers living in that vicinity are in constant fear of these floods, and the matter is bound to arise again. The Dominion government will therefore have to recognize the necessity for some work being done in connection with this river. If the municipalities directly interested had to put up some money along with the province they would be more careful about expenditures; there is no doubt about that. Another phase of the situation in connection with the river seems to be this, that there does not appear to be any one who is right on the job with dynamite to break up the ice jams as they occur and so to prevent flooding. It has happened that in the case of an ice jam occurring on the river, before notification could come from Ottawa to the dynamiting crews the damage had been done, the banks had been overflowed and the dykes washed away. If the municipality had to take its share of the financing it is quite possible that the municipal council would be on the job to repair any damage that might occur. I am not saying they do not do that already, but there is a possibility of their looking to Ottawa to take care of the situation whereas prompt local action might prevent a disastrous flood. Last year $6,000 was provided in the estimates for taking a survey on the Assiniboine river. That survey has been made and I understand the government have a plan in mind for the reclaiming of that great area which is now endangered by periodical floods. No revenue will come to Canada more quickly than that which will result from the reclamation of these valuable lands. The government is getting no income taxes from that portion of Manitoba, now that is largely owing to the floods that have taken place within the last few years. I think it is the duty of this government, the provincial government and the municipalities to join hands with a view to taking care of the drainage situation in that splendid portion of Manitoba.

Mr. COOTE: Just one further word in connection with the work at Blairmore. The town of Blairmore has been hard hit by the Home Bank disaster. The deposits of the people of that town in the Home Bank amounted approximately to $200,000, and the loans which the bank had there were $6,000, that is $190,000 more of deposits than of loans. Twenty-five per cent of that has been returned, but the people of the town are still short that seventy-five per cent. The school district of Blairmore, which is part of the town machinery, lost, I think, $10,000 in that bank failure. The town has been finding it hard to finance its necessary operations since the Home Bank went under, and that makes it all

the more important that assistance should be given at this time. There is one fact I did not mention which might further impress the minister with the necessity of giving assistance to the town in this case. The river runs all the way through the town, following a winding course in several places and making necessary a lot of bridges. In this flood the bridges which were washed out were estimated by the engineers of this government to cost $41,000. These bridges have to be repaired or replaced, in addition to the works that I have already mentioned. It seems to me that the people of the town are very reasonable in asking the government to put up possibly fifty per cent of the cost of the construction of these works. I may point out that the same condition exists at Okotoks. It would seem that the property owners first affected might be the Canadian Pacific Railway Company; if that is the case I presume they are quite able to take care of themselves. But it is quite possible that considerable damage might result to the owners of property in that town if the river should change its course even to a very slight degree. I trust that the minister will see that some appropriation is made under which he could, if necessary, give the town of Okotoks some assistance should they suffer from flood next spring. I would again urge upon the minister the necessity of doing something at the town of Blairmore.

Mr. WOODS: Are we to understand that the government is responsible for damage done by freshets and floods where bridges are taken away or land destroyed, and that kind of thing? If so, there will be a lot of requirements in Ontario along the same line.

Mr. KING (Kootenay): No, I do not think we are responsible in such cases.

Mr. CALDWELL: I admit I did not know until the discussion came up that the Dominion government was responsible in such cases. However, if they are I want to present a claim of the constituency in which I live.

The CHAIRMAN: This is for Saskatchewan and Alberta.

Mr. CALDWELL: Then we will take it up when we get to New Brunswick. Are the estimates for New Brunswick passed?

Mr. KING (Kootenay): Not yet.

Mr. FORKE: These prairie rivers are a little different from rivers in other parts of the country. They run through flat alluvial plains. The banks are just a little higher at the river than further back and a flood of a few inches will inundate the country for quite a distance back from the river. It will be seen, therefore, that a very small embankment will do a great deal of good. As for the Dominion government paying part of the expense, that is a question for them to decide. In regard to the remarks of my hon. friend (Mr. Leader) as to the Dominion government and the municipalities undertaking this sort of work, I do think, knowing the conditions, that the Dominion government have some responsibility in the matter. But the proper method would be for the municipalities to do the work something after the fashion of drainage districts. The reclamation of a large section would be carried on; the land reclaimed would be owned by several individuals, and the expenses could be charged up against the land benefited. It would not be a question of public charity or of public assistance; a great deal of useful work would be done and the people themselves would be benefited.

Mr. COOTE: I hope nothing I have said will precipitate a run on the Department of Public Works for assistance to prevent the erosion of banks of streams. But, for the enlightenment of some members, I may point out that in the last ten years, according to a return brought down, there has been spent on harbours and rivers and dredging in Alberta and Saskatchewan the enormous sum of $204,000, while in the rest of Canada there has been spent $82,390,775. Alberta and Saskatchewan have approximately fifteen per cent of the population of Canada, but the amount spent under these heads in those two provinces has been less than one-quarter of one per cent of the amount spent in other parts of the country.

Mr. CALDWELL: I will admit the force of what the hon. member (Mr. Coote) has just said, but possibly it has not occurred to him that what is railway transportation to the prairie provinces is water transportation with us. In Nova Scotia, for instance, there is one main line of railway running through the centre of the province—not a very well constructed railway, and one which does not give a very excellent service, though it is true that it has been better in the last few years. Practically the whole of the traffic is carried on through these harbours and over the wharves around the shores. I have suggested that when the estimates for harbours and rivers for the Maritime provinces come up we might have a map hung up somewhere

in the chamber, if the Speaker would permit it, which would show the location of the harbours and rivers and also the location of the railways in those provinces. I am not finding fault with western members, because I know they do not realize our situation as we do ourselves, and I am willing to admit that we do not realize their situation. But if you compare the amount spent on harbours and rivers in the prairie provinces with the amount spent in the Maritimes, and if you compare also the amounts spent on railroads, I believe you will find they are about the same per capita. To take either alone would not give a fair idea of our methods of transportation or of our necessities along that line.

Mr. WARNER: I should like to point out one feature—I do not know just what there is in it—the provinces other than the three prairie provinces own their own natural resources, and that may make some difference in the obligation the Dominion government has towards them. We would like to have these resources, but we have not got them, and the other provinces have.

Mr. NEILL: If the hon. member for Macleod (Mr. Coote) feels he has a grievance because he has not harbours in his district, I would be very happy to let him have a couple of hundred from my district, with the consequent expenditure involved, and there would still be enough left to bring down my grey hairs with sorrow to the grave getting the government to do justice to what was left.

Mr. HUGHES: I would point out to the hon. member for Strathcona (Mr. Warner) that the prairie provinces, while they do not own their natural resources, get a cash subsidy in lieu thereof every year. It may be that the prairie provinces would prefer their natural resources. We are not arguing that at the moment, but I just wanted to point out to the hon. member that when that arrangement was made the prairie provinces were granted a yearly subsidy in lieu of their natural resources.

Mr. WARNER: I would point out in reply—

The CHAIRMAN: Order. It is not in order to debate the question of the natural resources of the provinces on this item, but probably the hon. member might answer briefly if he desires.

Mr. PRITCHARD: Has the coal mining business been injured by the overflowing of this river at Blairmore?

Mr. KING (Kootenay): I have no knowledge of that, but I think not.

[Mr. Caldwell.]

Mr. PRITCHARD: If it has been why do the people there wish to build on the bank of a river that is likely to overflow and destroy their property? Is there not room for them to build back from the river?

Mr. COOTE: I might point out to the hon. member that this town of Blairmore is not on the prairie, but in the Crowsnest pass, a pass running through the Rocky mountains. The valley is very narrow, and the only place where they can build the town is in between the two ranges of mountains. The Crowsnest river comes down through that pass. The works owned by the mine, which are on the flat, were very badly damaged, to the extent of a good many thousands of dollars, and the coal mining company has to take care of that damage itself. They are anxious to assist in the work of straightening the river and erecting cribs on each side, backed with rocks, to hold the river from overflowing again and damaging their works. They have a large iron works there, one of the largest, the manager told me, between Winnipeg and Vancouver. They have also sidings leading to their mines. They have a great many buildings on the flat, at the mouth of the mine. These were all in danger, and some of them were damaged. Several bridges were also washed away. This is why the mining company is anxious to co-operate with the government and the town in cribbing the banks of the river to prevent such a thing happening again in the future

I might further explain that the banks of this river in places are not more than four feet high, so when a freshet comes down there is not room in the channel for the water to get away, and last year it spread out all over the flat and flooded practically the whole town. As I pointed out, the Dominion government is receiving a splendid revenue from that little town, and I think it is not asking very much when we ask that the government should meet the wishes of the town of Blairmore in that matter. If I have not explained the situation fully to the satisfaction of the hon. member and the committee, I shall be very glad to do so. I look upon this flood at Blairmore last year in the nature of a calamity which visited that community. The same is true of High River. These are the only two harbours I have in my constituency at the present time. I hope I shall not be looked upon as making undue demands upon the government, but if any member here was to go back home to spend the week-end, and find the town had been flooded three feet deep, and all the bridges had been washed away, and the houses

threatened with the same fate, I am sure he would regard it as a calamity, and it is in that light I am asking this government to regard that flood.

Mr. WARNER: I do not wish to prolong the debate, but I would point out to the hon. member for King's (Mr. Hughes), who mentioned that the western provinces were receiving a subsidy in lieu of their natural resources, that it is not contended by anybody, I think, that that relieves the Dominion government in any way. The Dominion government grants a subsidy in order to hold those natural resources, and we feel that, possessing them, they are more responsible than they would be otherwise.

Item agreed to.

British Columbia—Arrow park—reconstruction of wharf (revote $9,500), $10,000.

Sir HENRY DRAYTON: How does this work stand now? I think it was to be started the year before last, was it not? Has anything been done yet?

Mr. KING (Kootenay): A contract has been entered into and we are asking for a revote of $9,500. Arrow park is situated on the Arrow lakes, and is a rather thriving agricultural community.

Sir HENRY DRAYTON: When was the contract let and how much work has been done?

Mr. KING (Kootenay): It was let in 1923, for $9,450.

Item agreed to.

Bamfield East—reconstruction of wharf, $7,000.

Sir HENRY DRAYTON: How does that stand?

Mr. KING (Kootenay): This is a revote. It is to complete the renewal of the superstructure of the existing wharf approximately seventy feet long by forty feet wide; to extend the face of the wharf into deeper water, and make repairs to portions of the existing structure; to construct floating fenders and a freight shed fifteen feet by thirty-two feet. Tenders were called for last October, and a contract is being let.

Sir HENRY DRAYTON: What is the date of the contract?

Mr. KING (Kootenay): The order in council was passed on May 14 last.

Item agreed to.

Bella Coola—to renew and extend wharf, $9,000.

Sir HENRY DRAYTON: How does that stand?

Mr. KING (Kootenay): This work will consist of renewing and extending the existing wharf on the south side of North Bentick Arm. The work requiring to be done consists of the removal of the superstructure of the existing wharfhead, together with the removal of a certain number of old bearing and fender piles, the demolishing of the old freight shed, 12 feet by 16 feet, renewing the superstructure of the existing wharfhead, and constructing an extension to the same 101 feet long and 25 to 50 feet wide. It will also be necessary to construct a float, gangway and freight shed.

Sir HENRY DRAYTON: When will tenders come in?

Mr. KING (Kootenay): Tenders were called for on October 30, 1923. One tender was received but it was considered too high and we are asking for new tenders. This is an important work on the main coast line of British Columbia south of Prince Rupert. It is at the entrance to the Bella Coola valley, it is a large valley in which there is quite a settlement. It is a fishing centre and some lumbering is done.

Mr. McQUARRIE: Why was the work not done two years ago?

Mr. KING (Kootenay): There have been certain negotiations with the provincial government in regard to roadway construction to this pier. The old pier was a very long one extending out for nearly a mile and a half—certainly a mile at least—and a great deal of pile driving and flooring is required. By its reconstruction we are saving a very considerable sum of money. The provincial government are constructing the roadway to the wharf.

Item agreed to.

Bowen Island (West side)—floating wharf, $2,000.

Sir HENRY DRAYTON: What about this item?

Mr. KING (Kootenay): This vote is to construct an approach 8 feet wide, and 168 feet long, out to low-water mark, a float 30 feet by 40 feet anchored with creosoted piles, and a gangway leading from the approach to the float 36 feet long and 6 feet wide.

Sir HENRY DRAYTON: Has there been nothing done as yet?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: Tenders have not been called for yet?

Mr. KING (Kootenay): Not yet.

Sir HENRY DRAYTON: One might with very great justice observe that we have re-votes in the case of the whole of these works—one in the case of a contract made in last November, another in the case of a contract made in May of this year but in two other cases nothing at all has been done. I hope the actions of the department are not to be construed as giving effect to a statement recently made in this House. These works were to be carried out because they are absolutely important and yet they have stood two years. Either the department's ideas were wrong and the works were not necessary, or else there has been grave neglect in cleaning up what was practically described as a necessitous situation requiring immediate action. I do not know which is right.

Mr. KING (Kootenay): My hon. friend is hardly fair.

Sir HENRY DRAYTON: I am stating facts.

Mr. KING (Kootenay): We got our supplementary votes late in the season in the case of many of these items. Plans have to be prepared, and investigations carried on not merely at one point but at a number of points. Reports had to be made to the department, and specifications prepared. All that takes time. Oftentimes we arrive at the point where the money might be expended in the fall of the year, but that is an expensive period for doing work, and very often we cannot get contractors to bid at that season. The result was that many of these votes had to go over until the following year.

Item agreed to.

Burton—wharf repairs, $2,100.

Sir HENRY DRAYTON: This is a new item, will the minister explain it?

Mr. KING (Kootenay): It is proposed to overlay the existing decking, which is in bad repair, with diagonally placed plank. This is one of the most important public wharves on the Arrow lakes. The only access to outside centres and markets is by steamer. The existing planking has served its life, but will afford a good ground or base for the new diagonally laid planking. It is proposed to replank this structure with 3 inch by 12 inch plank.

Sir HENRY DRAYTON: Will the work be done by tender?

Mr. KING (Kootenay): No, by day's labour I would think.

Item agreed to.

Chemainus—repairs to float, $1,450.

Sir HENRY DRAYTON: Has anything been done about this item, or is it in the same position as Bowen Island floating wharf?

Mr. KING (Kootenay): This vote is to cover repairs to approach and renewal of float and gangway. The total estimated expenditure is $1,450.

Item agreed to.

Cowichan lake—wharf and approach, $1,700.

Mr. KING (Kootenay): I am asking my colleague to move that this item be struck out as the work has been completed out of last year's estimate.

Mr. CARDIN: I move that the item be struck out.

Motion agreed to.

Crooked and Parsnip rivers—removal of obstruction, $3,500.

Sir HENRY DRAYTON: What is this work for?

Mr. KING (Kootenay): This is a new vote. There is a good deal of trouble north of Prince Rupert on the Grand Trunk Pacific in the Peace river country. The waterways in use there are the Crooked and Parsnip rivers. Representations have been made by various bodies and individuals that by the removal of boulders and the cutting out of certain brush the rivers would be greatly improved for those who find it necessary to go into that country at certain seasons of the year.

Sir HENRY DRAYTON: Is it proposed to do the work this year?

Mr. KING (Kootenay): Yes, we hope to.

Sir HENRY DRAYTON: How far on is it?

Mr. KING (Kootenay): The expenditure has not been authorized as yet, we are asking parliament for a vote. We asked for a report from the engineering branch and the estimate is based on that report.

Sir HENRY DRAYTON: How will the work be done?

Mr. KING (Kootenay): By day's labour I imagine.

Item agreed to.

Deep bay—wharf repairs, $1,850.

Mr. KING (Kootenay): This is for general repairs.

Item agreed to.

Fraser river—improvements, $68,000.

Sir HENRY DRAYTON: This is a very important work. How do matters stand now; is the flooding in hand?

Mr. KING (Kootenay): This is not to provide for direct flooding conditions.

Sir HENRY DRAYTON: Is this not in connection with the island we had some trouble about?

Mr. KING (Kootenay): No, we will come to that later.

Sir HENRY DRAYTON: What is the vote for, then?

Mr. KING (Kootenay): For improvements to navigation. It is for the construction of an extension to the existing north jetty which will direct the current of the stream, and, we hope, will maintain the channel. The expenditure made during the last two years has met with a considerable amount of success. The work is under contract and will be proceeded with.

Mr. SPEAKMAN: Is it intended to proceed with this work gradually so that eventually the different points further up the river, Port Mann for instance, will be accessible to deep water boats in future, and will the development made proceed as part of the harbour improvements?

Mr. KING (Kootenay): The intention of the department is to proceed from one stage to the other. The Fraser river near its mouth becomes a very large river, and the spring freshets bring down a tremendous quantity of alluvial and other material which is deposited, oftentimes causing the river to change its course. These jetties are built to control and direct the current in certain channels. We find that very good results have been obtained by the construction of the jetty. A jetty was constructed last year near a place known as the King Edward cut. That work has been closely watched. It is the intention of the department, where the experience of the surveys and examination and watching of currents will show that the construction of these jetties will tend to bring about a correction and make navigable the channel, to put in these jetties rather than to continue the old practice of dredging from year to year. From the engineering point of view I think the work is progressing satisfactorily. It is being carefully watched by the departmental staff.

Mr. SPEAKMAN: My interest in this matter is due to the fact that I looked into that river to some extent while I was in that district during last winter. It is not often a prairie man is very much interested in the rivers and harbours, but I was particularly interested in this point of view: That in my opinion Port Mann on the Fraser river will eventually be the logical shipping point of the Canadian National Railways. The importance of that point can hardly be overestimated, and I certainly hope, as far as practicable, the work will be continued, and that the Canadian National, whose terminus is Port Mann, will be able to utilize the river in their operations.

Mr. McQUARRIE: In common with the hon. member for Red Deer (Mr. Speakman) I am greatly interested in this matter; and in confirmation of what was said I call attention to the fact that the shipping on the Fraser river has very greatly increased in recent years. During the last year quite a large number of sea-going vessels have come into the river, largely for the purpose of taking out lumber and other products which are manufactured on the Fraser river. The minister has said that the work is proceeding satisfactorily, but I think possibly that statement is going a little far. I do say, however, that the minister and his department are entitled to credit for the work which has been done. They are showing an intelligent interest in the Fraser river, but at the same time I do not think that the people in New Westminster and vicinity are altogether satisfied with conditions at the present time. They do not think the work has been taken up in a satisfactory way. They do not think the department is energetic enough in this respect, and that it is meeting conditions as readily and as speedily as it should. I am quite aware that the minister has studied the Fraser river, and that his chief engineer has also made a very complete study of conditions there. I understand it is the intention of the minister to go out to the Pacific coast during the coming summer, and I think request has been made that he visit the Fraser river again and also that he if possible take his chief engineer out there again. Mr. Cameron is familiar with the location, and I hope the minister will find it convenient to take him to that district. Conditions are not absolutely satisfactory at the present time. The draught of vessels coming into the port is in-

creasing, as the minister knows. At the present time ships drawing 25 feet of water are making regular trips. I think they are carrying ore for the Canadian Pacific or for some subsidiary company of that company and regular shipments are being made. Those vessels are drawing 25 feet of water, and it is absolutely necessary that the channel be at all times kept in such a condition that these vessels can navigate without difficulty, I know that the board of trade, the city council and other public bodies of New Westminster have made representations to the minister that certain work which they consider absolutely urgent at this time should be let by contract. The minister has all these facts before him and I suppose is giving the matter consideration, but I know that he thinks that the people of New Westminster are unnecessarily alarmed. He thinks they are exaggerating the difficulties which they think they have there. I can assure the minister that this is not so. These men are all interested in the future, not only of that district, but of Canada. The busines that we do in New Westminster is export and if it is lost to us it is lost to Canada. I am sorry to have to say that at the present time the two dredges which are supposed to be working on the Fraser river have been taken away. I think this is a great mistake, and I have from time to time impressed upon the minister the necessity of keeping the dredges on the Fraser river until we get the channel into such a shape that it will be permanent. The necessity exists at present, and the matter is not in an experimental stage. The business is there and waiting, and it is very necessary that we should be able to accommodate even deeper draught vessels than are navigating there at the present time. The minister knows that some of the Canadian Merchant Marine vessels are of greater draught than can be accommodated in the channel at the present time. Those vessels would like to go in the Fraser river.

Then we have the matter of the shipment of grain. I have taken occasion from time to time to draw the attention of the minister to facilities which the port of New Westminster presents for the shipment of grain. We have asked the government to establish a grain elevator on the Fraser river. That demand has been made on a great many occasions and has been repeated from time to time. The first time I spoke to the present minister in regard to the matter he said, "The government does not propose to build any more elevators." The next thing I heard was that they were buying the Woodward elevator, another elevator in Vancouver. I do not say that I object to that. The announcement was made a few days ago that the government propose to build an elevator at Prince Rupert. I am not objecting to that but I say that the claims of the Fraser river are such that this government should be particularly interested in them inasmuch as New Westminster or Port Mann is the logical point for the shipment of the grain which goes over the Canadian National Railways. As the minister knows, that is assuming very considerable proportions. At the present time great quantities are coming through New Westminster and are taken over to Burrard Inlet. There is no reason why that grain should be taken to Burrard Inlet at all, because the Fraser river is the first point where the ships can come in where grain can be loaded. It is simply throwing away money to take that grain over to Burrard Inlet. The minister must have the facts before him The delegation, referred to by the last speaker, of Progressive members who came to New Westminster last winter, are familiar with the facts. They at that time intimated —and I think they confirm me in the statement now—that they are interested, not so much in any particular point or port on the Pacific, but in having their grain handled where it can be handled most cheaply. That is to say, they would like to see their grain handled economically. It may be, as someone has said, that it does not really make any difference to the shipper whether his grain goes to Burrard Inlet or to the Fraser river, because the rates will be the same to the shipper; but as a matter of fact, if extra expense is involved in taking that grain over to Burrard Inlet, somebody has to pay for that. I am informed that there is an unnecessary expenditure of one cent a bushel in taking that grain over to Burrard Inlet and the trade will eventually have to stand that loss. That is what Progressive members are interested in.

There are other considerations. As the minister knows, the port of Vancouver at the present time is rather congested, and it is difficult for them to handle all the grain that may be expected to go through Pacific ports. I understand this last year the shipments will amount to something like 50,000,000 bushels. I am informed by Progressive members who were at New Westminster last year that within a very few years at least 200,000,000 bushels of grain will go through those ports. When that time comes, the extra expense will mean something, and more

than that, the congestion will, of course, be much more marked than it is at present.

As the last speaker has mentioned, Port Mann is a very desirable place to ship grain from and Port Mann is the freight terminus of the Canadian National Railways. The Canadian National Railways at the present time have in Port Mann ideal sites for the construction of grain elevators, so that no expense would be involved in purchasing sites.

Another feature is in regard to the initial cost of construction. On fresh water the cost of construction of an elevator is very much less than on salt water. On salt water it is necessary to have concrete construction, and particularly in the port of Vancouver that construction and the necessary excavation which has to be done are very expensive, so that outside of the initial cost of the site, which is very large, of course, at Burrard Inlet because sites there are expensive, the cost of construction of elevators is very much less on the Fraser river than on Burrard Inlet. Not so long ago a prominent elevator engineer, Mr. Howe, who is well known to the minister and also, no doubt, to many members of the committee, reported in favour of the location of elevators on the Fraser river as against Burrard Inlet. These facts must be taken into consideration, and I think the government are not treating the Fraser river very fairly as regards establishing elevators there.

I am quite satisfied the minister thinks that elevators should be established on the Fraser river and that he is doing what he can to assist in having elevators owned by private companies located there. When the government are going into the business of constructing elevators, they should construct elevators where the grain can be handled in the most economical and cheapest manner. That is what Progressive members are interested in. It comes down to a matter of business, of dollars and cents, and although the cost is absorbed by railroads, the traffic has to bear the unnecessary money that is thrown away in locating elevators on the Pacific coast elsewhere than at New Westminster or on the Fraser river. The minister knows these facts as well as I do, and I have no doubt that if he expressed his personal opinion, he would tell this committee that grain elevators should be located on the Fraser river. Perhaps I have got away from this particular appropriation, and I crave the indulgence of the committee for having done so, but it seems to me that New Westminster and the Fraser river are entitled to a fair deal and I am afraid they are not getting it.

I should like again to impress upon the minister the necessity for keeping the dredges which the department already has on the Fraser river until the work is completed and put into permanent condition, so that the channel there will be assured. If dredging work has to be done in other places—and no doubt there are places where such work has to be done—why not utilise some of the other dredges which the department has out there and which are at present laid up? My idea is that it would pay the department to do a good deal of the work by contract and get the thing finished. This is going to cost money; money is being spent, and I am not altogether satisfied with the results that are being obtained. I believe the business interests in New Westminster are behind me when I impress upon the minister the necessity of considering the advisability of doing more of this work by contract.

Mr. KING (Kootenay): My hon. friend failed to tell the committee that within the last three or four years the channel of the Fraser river has been improved from a depth of 26 feet to a depth of 29 feet. That is a gradual process, and it is well known amongst hydraulic engineers that if you are dealing with rivers of that character, the type of engineering that should be adopted is to build works that will have the rivers cure themselves, and that is the type of engineering which we have adopted on the Fraser river. Building these walls, we find that the current of the river in question is increased and in a little while you have done what my hon. friend would have done next year by dredging. The difference is this, that the river having cured itself through the assistance that you have given it, in all probability you have established what may become a permanent or natural channel, whereas if you were to vote two, three, four or more million dollars—because it would take that much to dredge a channel from the mouth of the Fraser to New Westminster sufficiently deep to allow boats such as we hope to get, to enter the river, probably the thing would be destroyed the next season. So that so far as we are concerned, and in the interests of the people of Westminster, it seems to me that it would be better to have a little patience now and allow the men who are studying conditions on the spot to move as they think best. We are hoping that if my hon. friend will be patient, with the scientific knowledge that we are trying to bring to bear upon the problem, if we are allowed to advance from stage to stage we shall accomplish something that will be of

real importance and of permanency in the channel. I am not coming to parliament asking for large sums of money in order that we may rush in and dig channels which probably will be closed up a year afterwards; I think the better plan is to proceed scientifically with the problem. This problem is a difficult one which has been studied by the department for many years, and as minister of the department I am going to take the best advice I can get. Nothing pleases me more than to have a conference with the hon. member, with the boards of trade interested, and with the people of the district who are anxious to have the work go on. But it is necessary that we should take a fair view of this as of other matters. I believe that if we follow the plan suggested by our experts we shall accomplish something which will be of permanent use and of abiding satisfaction to the people of Westminster. The activities during the last few years have brought about marked results, results that are very satisfactory to the department. Last year witnessed the largest tonnage that ever went through the river, and very little difficulty was experienced, steamers going in and out easily.

Mr. McBRIDE: The minister is absolutely right when he says that the proper thing to do is to keep the water of the Fraser river within the channel and let it cut its own way out to the gulf. I remember in 1909 there was a great deal of dredging done on the north arm of the river; in fact, that year there was spent I think about $100,000 on this work. Three months after the dredge left the channel I happened to be going up on a steamer, and where the channel had been dredged the steamer ran aground. She was a twin screw and broke both propellers. The current in this river is of such a nature that if it is not confined to the channel it is apt to fill in where the dredging has been done. In my opinion one dollar spent in putting down mattresses is worth five dollars spent in dredging in the Fraser river.

Mr. McQUARRIE: My hon. friend knows that the vote we are dealing with refers to the main channel; he was speaking of the north arm of the river.

Mr. McBRIDE: The same thing applies to both.

Mr. McQUARRIE: I was going to request the minister to take the chief engineer with him when he goes out.

Mr. KING (Kootenay): Yes I hope Mr. Cameron will be able to visit the Fraser river this year.

[Mr. J. H. King.]

Mr. McQUARRIE: He has been doing good work there; he was there a few years ago and the people are anxious that he should come back again. They hope that he will come this summer if possible to continue his investigations.

Item agreed to.

Harbours and rivers generally—repairs and improvements, $65,000.

Mr. HUMPHREY: I want to call the attention of the minister to a condition at Revelstoke in connection with the river bank protection on the Columbia river. I am fully aware that the minister knows a good deal about this particular matter, but I want to impress it upon his attention. I am informed that there are two places in this locality where there appear signs of erosion into the bank. In past years a certain amount of work has been done at this place. At one particular point there has been done considerable mattress work and at a point further down the river a wing dam was constructed under previous governments, in an effort to change if possible the course of the river to prevent its cutting into the bank. As is well known, the Columbia is a large navigable river; it is by no means a small stream, and at certain times of the year, particularly at high water time, the current here is pretty swift. In fact, at all seasons there is a very swift current and the conditions are such that the river bank is being constantly encroached upon. I do not think that the work done in previous years in the construction of this wing dam has accomplished the purpose it was intended to serve; and from the information I have received within the last year or so and from personal interviews I have had with the district engineer I understand that, as a result of the gauging of the activities of the river in cutting into the bank, it has been decided that something should be done to keep the river in its course or at least to change the course if possible in order to stop the erosion. If there are any further developments there is a possibility of the stream cutting straight through into the town of Revelstoke; at any rate, if it does not go into the town the cutting into the bank will destroy many well-advanced and improved farms and ranches. I was wondering whether the minister could give us any information regarding the work of the department in this respect.

5 p.m

Mr. KING (Kootenay): The district engineer last year made a careful examination of conditions at Revelstoke on the Columbia

river and plans were prepared and suggestions submitted for improvements to prevent bank erosion. So far we have not decided to make the large expenditure necessary, believing that further study should be given to the currents there and further reports considered. The flood season will probably have passed in a few days and we hope there will not be any great damage. We shall have further inquiry made.

Item agreed to.

Hardy Bay—wharf replacement, $19,000.

Sir HENRY DRAYTON: This is a new vote.

Mr. KING (Kootenay): This is for the construction of a creosoted pile wharf 50 by 100 feet, with an approach 480 by 16 feet and a freight shed 15 by 28 feet, a slip 9 by 30 feet; and launch landing steps. The proposed wharf will be constructed on the west side of the bay and will replace the old structure on the east side which collapsed in 1918. With the construction of a roadway by the provincial government the people will have access directly to the wharf which they have not had heretofore.

Sir HENRY DRAYTON: What town will this serve?

Mr. KING (Kootenay): Hardy Bay, near the northern end of Vancouver island. A landing point there gives access by road or trail across to Quatsino harbour on the west coast of Vancouver island. The work is an important one and, as I say, it is being carried out in conjunction with road work undertaken by the provincial government.

Item agreed to.

New Westminster (Poplar island)—fisheries patrol station, $16,500.

Mr. KING (Kootenay): This is being constructed for the Department of Marine and Fisheries. They have a fairly large amount of work in that vicinity, requiring a station on Poplar island, opposite the town of New Westminster on the Fraser river.

Item agreed to.

Nicomen island—protection work, $25,000.

Mr. McQUARRIE: How is this work getting on?

Mr. KING (Kootenay): This work was undertaken by the government in conjunction with certain work that the provincial government undertook to do. Nicomen island is on the Fraser river below Chilliwack. It is a very fertile island and has been settled for some years. After the war, when the re-establishment of returned soldiers was under consideration, certain lands were bought there and returned men placed upon them; I think about $140,000 was spent for that purpose. For many years the department has been spending money in the building of wing dams and dredging, amounting in all to some $158,000, to protect this point in the river. Two years ago I asked the provincial government to make a joint survey with the Department of Public Works to see if some scheme could not be evolved that would give protection to the people on the island that would be permanent in its character. After careful consideration of the matter and the making of surveys, the engineers reported that by putting in certain bank protection work we could deflect the current from this point and thus secure the land from damage. Prior to that the river had worn in and destroyed a section of the dyke, which left the area open to flood in high water. The provincial government closed that area, expending some $30,000 in the work, and we have carried on this protection work with some degree of success. Part of it has been done by contract and part by day labour. The department have been utilizing what is known as retard dams, a method adopted on the Mississippi with very good results. Large trees are brought into the bank and piled with brush; the ends extend out into the current and that brings about a retarding of the water and silt and the settlement of material. The figures would indicate that last year the bank built up very satisfactorily in that area. It is to complete the contract we made last year that we are asking for this sum.

Item agreed to.

Pender harbour (Donley's Landing)—enlarging float, $1,000.

Mr. McQUARRIE: Will the minister explain this item?

Mr. KING (Kootenay): This is to construct an addition 35 by 50 feet to the existing float. Pender harbour is one of the islands lying between Victoria and Vancouver. There is quite a settlement there. It is a farming community and some lumbering is carried on.

Mr. McQUARRIE: I do not think there is any farming there; it is mostly fishing and logging. How many wharves are there in Pender harbour which have received assistance from the government?

Mr. KING (Kootenay): I think this is the only one.

Mr. McQUARRIE: Is there not one near the principal store almost directly opposite this wharf, at Gonzales and Dames landing, right across the harbour?

Mr. KING (Kootenay): We are not maintaining that one. There is a store at the float my hon. friend speaks of, owned by Mr. Donley, and the telegraph office is there. It is a general meeting place for half the citizens of the harbour.

Mr. McQUARRIE: Donley's?

Mr. KING (Kootenay): Yes.

Mr. McQUARRIE: I think the minister is mixed up; the telegraph office is at the other place. It is at Gonzales and Dames landing where the hotel is, and the big store. I know the place very well. The reason I mention the matter is because when I was there last summer my attention was drawn to the fact that where the business is done, at the regular calling place for steamers, where the telegraph office is, where the hotel is, and so on, the government will not do anything to assist in keeping up the float and the wharf is in rather bad shape. The member for Comox-Alberni will be able to confirm what I say, namely, that most of the business in Pender harbour is done at this place across from Donley's. I am not objecting to this vote to Donley's; in all probability it is necessary, because a great many fishermen make Donley's float their headquarters. I am simply calling the minister's attention to the necessity for taking care of the other wharf as well. If he looks into the matter I think he will find that the information which is before him is rather misleading.

Mr. NEILL: The last remark of the hon. gentleman is perfectly correct. The information that is before us is misleading—that is the information he has furnished us with. I fear he has been taking a political view of the atmosphere in that district. A telegraph office does not necessarily need a large wharf, a summer hotel may, to a larger extent, but what wharves are generally used for is loading and unloading freight, and that is what this float is required for. I may mention incidentally that if he looks up the public accounts of last year he will find that a considerable sum was spent in fixing up the wharf at the place he mentioned.

Mr. McQUARRIE: The minister said that nothing had been spent.

Mr. NEILL: This year.

Mr. McQUARRIE: Any time.

[Mr. J. H. King.]

Mr. NEILL: There was something spent, and a lot has been spent in years gone by, and on the principle of fifty-fifty perhaps it is time there was something spent at Donley's float. This float was put in some years ago, and it developed a very considerable trade in fish, so much so that it was found not big enough to take the fish off from day to day. You will notice the vote is for enlarging the float. It had worn out in course of time, and was in such a condition that the fish and other products on it would be sinking below the level of the water. A man named Donley maintained, at his own cost and charges, a float there for some years, and the general public, including the fishermen, took advantage of it and had the use of it, on account of the government float being so small and inadequate. Donley's float is now practically worn out, and the government were asked to extend their float so that it would be big enough to handle the traffic that has been done there for at least five years past on this other man's privately owned float. There is no intention, I think, on the part of the government to discriminate against the summer hotel; it is largely used in the summer time. I myself was there last summer. I examined the wharf and I spoke to people, and I heard no complaint of its condition at that time, nor do I think any application has been made this year for further repairs beyond those undertaken last year. While the minister may say he has no record of a vote, possibly something was done out of what is known as the general vote. I am not very sure of the amount. But at any rate there is no absolute need for any repairs at the present moment on that side of the harbour, and there is urgent need for this other work in order that the people who try to make a living by taking the fish out of the water and sending it to Vancouver may have some place on which to land it.

Mr. McQUARRIE: I am afraid I shall have to put the hon. member for Comox-Alberni in the same class with the minister so far as his information is concerned. I have always heard that he did not like to cross the water, because he got seasick every time he did. I thought that he would come fairly before this committee and correct the misinformation of the minister.

Mr. KING (Kootenay): May I interrupt my hon. friend for a moment? Apparently he is seeking for information, and it probably would be just as well to give it to him. He has a local knowledge which some of us do not enjoy, and probably he can play upon that to some extent. Apparently there are two floats, the government float and the private

float owned by Mr. Donley. I have the following information with regard to the situation:

> The steamer always landed at Donley's when we had a large float there, and as at that time very little use was made of the government float by the public, it was decided to move the float, which was 40' x 50' to Pope's landing. After a while the people asked for a small float there, as the only school house in Pender harbour was situated close to Donley's and it was claimed that a large percentage of the children had to go to school in boats, and there was no place for them to land except at Donley's private float, and the small boats were in the way of the steamers and fishing boats, for which purposes the private float was built. It was sufficient at the time, but I think that the fish business has grown, and that as Donley's float is getting old the department would be warranted in building an addition to the present float, which would relieve Mr. Donley from the necessity of keeping his float in repair. The Union Steamship Company will then be able to call at the government float, but they will naturally tie up to the float that has the most freight on it to load.

The existing float was built in 1913-1914, and was repaired and moved to Pope's landing in 1919-20. A new float was built at Donley's landing in 1920-21, and this vote, I understand, is for enlargement of the present landing.

Mr. McQUARRIE: There is another float at Pope's landing, is there not?

Mr. KING (Kootenay): There may be.

Mr. McQUARRIE: The statement I made was that the telegraph office was at Gonzales and Dames landing, not at Donley's. The minister had it placed at Donley's landing. I thought the hon. member for Comox-Alberni would be fair enough to confirm my statement, but he does not seem inclined to do so, although he knows it is perfectly correct. He has also spoken of a summer hotel. If he has information that this is merely a summer hotel, his information is very defective. It is a hotel that is run all the year round, and one that has been used for a great number of years. It is not a summer hotel proposition at all.

As to the quantity of freight that is handled at Gonzales landing, I would say that at least ten times, and possibly more, is handled there than at Donley's. Another point that I took exception to in the minister's statement was in regard to whether the government had done anything for the other wharf, and I understood him to say that the government did not assume any responsibility at all in reference to that other wharf. I think he was wrong in that; the information which he had was not correct.

The minister seems to complain now because I have some local knowledge, and as he says, have played on it. I do not see how that is really a matter of censure so far as I am concerned. When I find that the minister has not correct information I think it is my duty to supply him with reliable information when I happen to have it, and I know this place very well.

The hon. member for Comox-Alberni has said something about politics. There is no politics in this so far as I am concerned. The place is not in my constituency, but I happen to be a land owner in this particular neighborhood, and I happen to go there quite frequently. I am not objecting to this particular vote for Donley's landing at all, and I think I made that perfectly clear, but I did say to the minister that I thought the other landing required attention. The hon. member for Comox-Alberni said that he was there last summer. Well, I have no doubt he would not go there in the winter, because he would be afraid of being seasick; he does not like to cross the water in the winter.

Mr. NEILL: Mr. Chairman, I rise to a point of order. I want to know what on earth the state of my stomach has to do with Donley's float?

Mr. McQUARRIE: The point is this, Mr. Chairman. The hon. member for Comox-Alberni said he was there last summer, and had not heard any complaint about the condition of the wharf at Gonzales landing. I do not know how that happened at all, because when I was there I did hear complaints. and many of them. I was told by these people that they had been very unfairly treated, that they were not being taken care of at all, and that their landing was the place where the business of the harbour was being done, where all the steamers called regularly, and where the great part of the freight for that harbour was handled. The hon. member for Comox-Alberni had better make another trip up there and get his information more up-to-date. I mentioned this particular case to the minister in good faith, and I certainly resent any criticism from either the minister or the hon. member for having done so. The hon. gentleman should have no particular objection to my mentioning a matter of this kind. If I happen to be a constituent of his at certain times of the year when he is not looking after his duties as he should, and see some things that should be attended to, surely he should welcome my assistance.

Mr. NEILL: I shall make it my business to inquire into this matter carefully and in particular ascertain the location of the hon gentleman's townsite lot.

Mr. McQUARRIE: I did not say anything about a townsite lot. That is another insinuation which I resent.

Mr. NEILL: If my hon. friend takes exception to that term I will apologize and use the word "property," an expresion he himself employed. Surely he will not object to that. When I get the information as to the location of his property and bring it to the attention of the House hon. members will be in a better position to gauge the value of my hon. friend's statements.

Mr. McQUARRIE: It does not make any difference to me, as far as my property is concerned, which one of these wharves is fixed up, not in the least, so that the insinuation which has fallen from the lips of the hon. member for Comox-Alberni is absolutely unwarranted. There is no foundation for it at all. It does not make a bit of difference to me which wharf is repaired; I want to see them all fixed up. As a matter of fact I could tell my hon. friend that Donley's wharf happens practically to adjoin the property that I have there, and I use his wharf just as much as I use the other.

Mr. McBRIDE: I may say that I know Pender harbour fairly well—in fact I ran a steamer in there for some years—and the remarks of the hon. member for Comox-Alberni are absolutely correct. I think this money should be spent on Donley's wharf. I was up there last summer, and there were a number of people who desired to get off at the wharf. Some remained on board while others were going ashore for fear the wharf would turn over if too many landed at the one time.

Mr. NEILL: Hear, hear.

Mr. McQUARRIE: May I ask the hon. member for Cariboo how the business done at Donley's wharf compares with that at Gonzale's and Dame's wharf?

Mr. McBRIDE: When I was up there all the business was done at Donley's wharf.

Mr. McQUARRIE: That shows the hon. member for Comox-Alberni does not know anything at all about the matter. He is making reckless statements that have no foundation in fact at all.

Mr. NEILL: The hon. gentleman is getting mixed up. He means the hon. member for Cariboo not the member for Comox-Alberni.

Mr. McQUARRIE: I see neither rhyme nor reason for the attitude assumed by the hon. member for Cariboo because evidently he does not know anything about the position of affairs. He has made a statement which is absolutely misleading and he knows it.

Mr. LOVETT: I suggest that the hon. members who are exchanging these compliments should settle their differences outside the House. We do not want to sit here and listen to such remarks which are altogther irrelevant to the matter at issue.

Mr. McQUARRIE: I do not see anything wrong with the discussion.

Mr. LOVETT: I would advise my hon. friends to go outside and settle their differences.

Mr. McQUARRIE: I take exception to the remarks of the last speaker, there is no reason for them whatever. I do not think I have occupied very much time during this session.

Some hon. MEMBERS: Oh, oh.

Mr. McBRIDE: You have occupied more time than any other member of the House.

Mr. McQUARRIE: Here is the hon. member for Cariboo again. He says I have spoken more than any other member in the House. Now he knows that is an untrue statement.

Mr. McBRIDE: I do not.

Mr. McQUARRIE: It is absolutely without any foundation whatever.

Mr. LOVETT: I do not take exception to the hon. member's talking in a businesslike way when he adheres to the item under discussion, but I do object to the irrelevant talk that has been going on for some minutes especially when we hope to make progress and finish up very shortly.

Mr. McQUARRIE: If estimates are brought down at the end of the session we will rush them through, I suppose?

Mr. LOVETT: These estimates were brought down long ago.

Mr. McQUARRIE: The hon. gentleman is most unfair in suggesting that I have been wasting time in discussing this item.

Mr. LOVETT: Discuss the matter in a businesslike way and confine yourself to the item.

Mr. McQUARRIE: Oh yes, discuss it in a businesslike way! When I wish to get advice from the hon. gentleman I will ask him for it. I consider his intervention in this matter as nothing short of impertinence.

What does the hon. gentleman himself do in this House? He is simply a rubber stamp and nothing else.

Some hon. MEMBERS: Order.

Mr. LOVETT: It is better to be a rubber stamp than a nuisance.

Mr. McQUARRIE: I did not catch my hon. friend's observation.

Mr. LOVETT: I will repeat it if necessary.

The CHAIRMAN (Mr. Marcil, Bonaventure): Both expressions, "rubber stamp," and "nuisance" are unparliamentary and should be withdrawn.

Mr. McQUARRIE: I withdraw the "rubber stamp" observation.

Mr. LOVETT: I withdraw the word "nuisance."

Mr. McQUARRIE: I certainly am surprised that when I make a perfectly reasonable suggestion to the minister it should arouse all this commotion. I cannot conceive what objection there can be to my stating that there is another landing in this particular harbour which requires attention. I suggested to the minister that the other landing was the one where most of the business in this harbour was carried on, and I defy any one to contradict that statement because it is absolutely correct.

Mr. McBRIDE: I take exception to some of my hon. friend's remarks. I have no reason whatever to retract anything I said. The statement I made was absolutely correct, and no person who goes up there and sees the conditions as they exist will say otherwise. As for the other wharf I have been there a number of times. I have been in that harbour I suppose a hundred and fifty times and I have very seldom seen anybody on that wharf but Chinamen or Indians.

Mr. KING (Kootenay): The information contributed by hon. members who have local knowledge of the district has been of value to the committee. However, the item is not a large one. It is simply for the extension of the existing float and I think it ought to be carried now.

Mr. McQUARRIE: I must say that I think the eyesight of the hon. member for Cariboo must be as bad as the stomach of the hon. member for Comox-Alberni.

Item agreed to.

Sayward—wharf replacement, $11,600.

Sir HENRY DRAYTON: That is a large item; what is the explanation?

Mr. KING (Kootenay): My memorandum reads:

To construct a wharf 90 feet by 50 feet with an approach 146 feet by 16 feet (including King truss for passage of drift logs), a float 14 feet by 38 feet, gangway 38 feet by 4 feet and slip 9 feet by 38 feet. The proposed structure is required to replace the existing wharf which is in a dilapidated condition. Sayward is an important point on Vancouver island. The wharf has been maintained there for many years, and this is for replacement of the existing structure.

Item agreed to.

Sidney—repairs to wharves, $7,250.

Sir HENRY DRAYTON: What is this item?

Mr. KING (Kootenay: My memorandum in regard to this wharf reads:

(1) General repairs to wharf consisting of the renewal of the superstructure of the approach 374 feet long by 19 feet 3 inches wide, the renewal of 758 lineal feet of creosoted piling, also minor repairs to wharf head and concrete piers, estimated cost, $4,000.

(2) General repairs to auto ferry slip and the construction of a sheet pile guide wall, 145 feet in length, estimated cost, $3,250.

Amount required for 1924-25, $7,250.

Item agreed to.

Tofino—wharf repairs, $5,400.

Sir HENRY DRAYTON: What is this?

Mr. KING (Kootenay): This is situated on Vancouver island on the west coast, and this item is for renewal of untreated bearing piles, in wharf head with creosoting piling, and so forth. We put in bearing piles, cross-braces and untreated fender piles, one creosoted horizontal fender and rough lumber, making in all an expenditure of $5,400.

Sir HENRY DRAYTON: By tender?

Mr. KING (Kootenay): By tender and contract.

Item agreed to.

Vancouver, Stanley park, foreshore protection, $8,000.

Sir HENRY DRAYTON: Before that item passes, being the last on the list, will my hon. friend tell me how the appropriations not required, amounting to $136,435, are made up? How much of that represents work that has been done and money spent, and how much work abandoned?

Mr. KING (Kootenay): This is a book-keeping item, placed there by the Finance department, in making up their statement. It represents the unexpended portions of the

vote of last year under these items, work done or work dropped.

Sir HENRY DRAYTON: I think my hon. friend is entirely wrong. It is not a bookkeeping item to commence with. It is an item which is supposed to give the House information and supposed to be a reliable item.

Mr. KING (Kootenay): It is a reliable item.

Sir HENRY DRAYTON: It is not an item showing work dropped. It shows works which have been finished and all the money spent on them. That is what it represents. It is of importance to know what it is, because if we do not know we cannot properly judge the expenditure one year from another year. It is not a bookkeeping item.

Mr. KING (Kootenay): I have the information before me. My hon. friend is absolutely wrong when he says it is not a bookkeeping item, because it is. It is not an item inserted by the Department of Public Works, but one inserted by the Department of Finance. It is made up of unexpended votes last year. I will read them.

Sir HENRY DRAYTON: What is the first item?

Mr. KING (Kootenay): Anglemont wharf, $4,300.

Sir HENRY DRAYTON: What was done with that?

Mr. KING (Kootenay): That was spent.

Sir HENRY DRAYTON: Then it was not dropped. What is the next?

Mr. KING (Kootenay): Arrow park, reconstruction of wharf. The next would be Balfour, repairs to wharf.

Sir HENRY DRAYTON: Is that dropped or is the money spent?

Mr. KING (Kootenay): The money spent.

Sir HENRY DRAYTON: How much?

Mr. KING (Kootenay): The amount is $1,500.

Sir HENRY DRAYTON: What is the next?

Mr. KING (Kootenay): Beaton wharf repairs and improvements, $1,760.

Sir HENRY DRAYTON: Was the money spent?

Mr. KING (Kootenay): I believe so. Then the next is Bishop's landing float renewal, $1,400.

[Mr. J. H. King.]

Sir HENRY DRAYTON: Was the work done and money spent?

Mr. KING (Kootenay): I believe so.

Sir HENRY DRAYTON: I want the facts.

Mr. KING (Kootenay): I will give my hon. friend the list, or if he likes I will give it to Hansard.

Sir HENRY DRAYTON: Does the list show the works abandoned as against the works completed?

Mr. KING (Kootenay): The list is here and if my hon. friend wishes, we will have it placed on Hansard. Those items marked on this list in black indicate the expenditure having been made.

Mr. ANDERSON: The hon. member for Burrard (Mr. Clark) was not in the House this afternoon, and he might want to inquire about this item.

Mr. McBRIDE: May I ask the hon. gentleman what he is doing?

Mr. CLARK: I have no remark to make in regard to this vote, except that to my own knowledge it is a very necessary one. It is work going on from year to year, and I understand it is the same amount as last year and less than the previous year. Is that not correct?

Mr. KING (Kootenay): My hon. friend is familiar with the character of this work, and I quite agree with him it is a necessary expenditure. It is done in connection with the Stanley Park Board, and they are doing a very useful work. The amount is not as large probably as we would like, but it is a continuation of the work that was undertaken some time ago.

Mr. McBRIDE: I was just going to say that I am sorry the minister cannot see his way to make the amount a little larger. As he has already stated, the work is being carried out in connection with the Stanley Park Board, and it cannot be carried on as economically as it would be if the job were gone on with and completed. It will take more than this amount to complete the work, and if the minister could see his way to put in the supplementary estimates an amount sufficient to complete the work once it is started, I think the work could be done to much better advantage.

Sir HENRY DRAYTON: I have in my hand the list which the minister sends me. This list shows total appropriations not re-

quired amounting to $136,435. I have no objection, if it will save time, to handing to Hansard what he suggests, as long as I know what it means. It may mean first that the work is being carried on and the money spent, and therefore you want the vote, or it may be that the department, on investigation, will drop the project. I want to know into which of these different classes each of the items on this list will go. The list, as handed over, does not show that. The deputy minister is present and he will know what work he is going on with and what he has dropped.

Mr. KING (Kootenay): I think it would be almost impossible for the deputy minister to know that without having a report prepared. There are many items in the list, and if my hon. friend wishes the information we shall have it prepared and submitted to him to-morrow giving him the particulars.

Sir HENRY DRAYTON: That would be a very easy thing to do.

Mr. KING (Kootenay): It is impossible for anyone to carry that information in his head.

Sir HENRY DRAYTON: I am not saying that, but it will be a very simple thing to do.

Mr. KING (Kootenay): Yes, we shall have the information prepared and it will be supplied to my hon. friend.

Item agreed to.

Dredging—	
Maritime provinces..	$540,000
Ontario and Quebec..	562,500
Manitoba, Saskatchewan and Alberta..	90,000
British Columbia..	375,000
	$1,567,500

Mr. BAXTER: Will any of this money be spent for clearing out the dredged space on the west side of St. John harbour which has been seeping in ever since that work was performed some years ago and which is not yet completely occupied by wharves?

Mr. KING (Kootenay): That would come not under this vote, but under the St. John harbour vote.

Mr BAXTER: There is no St. John harbour vote.

Mr. KING (Kootenay): Yes, there will be a vote for St. John harbour.

Sir HENRY DRAYTON: What was spent last year?

Mr. KING (Kootenay): There was spent $489,000 on dredging done by government dredges.

Sir HENRY DRAYTON: Is there any reason why we cannot reduce this vote to what was spent last year, $489,000, and save something?

Mr. KING (Kootenay): I hardly think you can reduce the vote. In fact, I think we have made a very considerable reduction. The amount I have given is for departmental plant alone. Other work was done by contract last year.

Sir HENRY DRAYTON: I want to know the whole amount spent under the vote last year. Perhaps we might call it six o'clock and let this information be secured. The information I want on these items, so that the minister will know, is the total amount spent last year for dredging on each of the four items: Maritime provinces, Ontario and Quebec, Manitoba, Saskatchewan and Alberta, and British Columbia. Then in addition to that I want to get some idea as to the work done, having regard to the quantities; I want to see what this work which is being done by the department is costing per yard. What do the government reports show? These statistics are usually available and if they are not they should be. We want to see what we are getting for the money that is being voted.

Mr. KING (Kootenay): There is some information which I cannot lay my hand on at the moment. I hope the information my hon. friend requires will be available.

Progress reported.

Sir HENRY DRAYTON: Call it six o'clock.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 130, respecting Alliance Nationale. —Mr. Archambault.

Bill No. 158, to incorporate Merchants Casualty Insurance Company.—Mr. Euler.

LAURENTIAN INSURANCE COMPANY

On the motion for the third reading of Bill No. 159, to incorporate The Laurentian Insurance Company.—Mr. Jacobs.

Mr. CALDWELL: I have been looking through my file of bills during the consideration of these private bills and I have not been able to find any of them. I suggest that the Senate bills, especially divorce bills, be placed in a file by themselves. At present it is almost impossible for a member to find a particular private bill, and one does not like to hold up the work of the committee until he has found it.

Motion agreed to, and bill read the third time and passed.

SECOND READINGS

Bill No. 170, for the relief of Philip R. Marshall Palmer.—Mr. Duff.

Bill No. 171, for the relief of George Felix Simpson.—Mr. Ladner.

SUPPLY

PUBLIC WORKS

The House in committee of Supply, Mr. Gordon in the chair.

Public Works—dredging—Maritime provinces, $540,000.

Mr. KING (Kootenay): Before six o'clock the hon. member for West York asked certain questions regarding the dredging vote. That information is being prepared, and with his concurrence I would suggest that we allow this item to stand and take up the next one, for roads and bridges.

Sir HENRY DRAYTON: That is quite all right.

Item stands.

Dominion roads and bridges generally, $5,000.

Sir HENRY DRAYTON: Is that the annual vote?

Mr. KING (Kootenay): Yes. It is for repairs, painting, and so forth.

Item agreed to.

International bridge over river St. John between Clair, N.B., and Fort Kent, Me., the state of Maine to provide $15,000; county of Aroostook, $10,000 and town of Fort Kent, $5,000, $29,000.

Mr. CALDWELL: What is being done in connection with this?

Mr. KING (Kootenay): This amount is required towards the construction of an international bridge across the St. John river between Clair, N.B., and Fort Kent, Maine. The proposed structure will consist of 3 steel spans, each 232 feet in length, on concrete piers and abutments. It will have a roadway 20 feet in width and a sidewalk 6 feet wide. The estimated cost of the work is placed at $150,700, exclusive of approaches, but this is only tentative as there are three sites under consideration at the present time and until one is definitely decided upon the plans cannot be finally prepared. I may say that this expenditure is a joint international expenditure, the state of Maine contributing one half the cost of the bridge.

Sir HENRY DRAYTON: The minister said the cost was to be $150,000. If we are paying half, why have we not an item for $75,000?

Mr. KING (Kootenay): We shall not need more than the amount suggested here for this year.

Sir HENRY DRAYTON: Is it not a great deal better to say what it is? The government will be called upon to enter into a contract for $75,000, and they will have no authority to enter into a contract for that amount if they obey the law.

Mr. KING (Kootenay): We are asking parliament for $29,000 this year with a view to entering into an arrangement with the state of Maine for the construction of this bridge. It is an international undertaking, and it is not usual to vote the whole amount. It is estimated that $29,000 will be sufficient for our needs this year. The information given here is that the estimate of $150,000 is tentative, as the site has not yet been permanently located, and as my hon. friend knows, the location of the site will have much to do with the cost.

Sir HENRY DRAYTON: But is there no certificate from the auditor or other officer showing the authorization for the liability which the government incurs in connection with works of this kind, showing that they are authorized, and whether there are available funds for the work?

Mr. KING (Kootenay): There has been an application, and the information is that the state of Maine is prepared to enter into an arrangement for building this bridge. Our engineers have reported on it, and they suggest a total expenditure of $150,000.

Sir HENRY DRAYTON: That is $75,000 for us?

Mr. KING (Kootenay): Yes, it will be fifty-fifty in the end. There has been a conference between the engineers of the Public Works department and those representing the state of Maine. I think we are taking the usual course in expenditures of this kind. This is not the first international bridge.

There is one already at Edmundston, and this was the course followed.

Mr. HANSON: It seems to me a remarkable thing that the government is contemplating an expenditure of this amount away up on the head waters of the river St. John, where settlement is very thin, and where the number of people to be served is very small indeed. The government cannot find $17,500 to pay for an international bridge across the St. Croix river at Vanceboro, which would be a through thoroughfare between the United States and Canada for tourist traffic. For two sessions I have been urging the minister to enter into an agreement with the state of Maine to pay one half the cost of such a bridge at Vanceboro, where they now have no bridge. The people used to use what was a private bridge across a lumber dam at that point, but that was carried away by the ice. Representations were made to the legislature of the state of Maine, and they voted one-half of the money, the understanding being, of course, that the Dominion of Canada would pay the other half of the cost of the bridge. The Maine vote lapses this year, and nothing has been done by the government of this country to keep faith with these people. That is a very much smaller expenditure than this, but it has been refused by this government on account of economy. That is a perfectly valid excuse, but imagine the amazement of the people on both sides of the international boundary to learn that the government cannot find half of $35,000 to pay its share for that bridge, yet they can find half of $150,000 to pay for another international bridge across another stream that forms the international boundary—a bridge that will be a much larger and a much more expensive structure to serve a community that has not one-tenth the number of people who would be served by an international bridge across the St. Croix river at Vanceboro. I think the people of that county have very just grounds of complaint against the government. The government are not consistent and their plea for economy is not sincere. I do not think the minister has treated the southern part of the province of New Brunswick fairly. I suppose the explanation lies in the fact that the county of Madawaska elects a supporter of the government while the county of York does not and never will.

Mr. CALDWELL: They came pretty near it the last time.

Mr. MICHAUD: My hon. friend (Mr. Hanson) has stated that the district where this bridge is to be constructed is thinly settled. I am afraid the hon. member is sadly lacking in a knowledge of the actual conditions. I should like him to be a little more generous when he is dealing with the question of patronage. In my own town we need a new post office, but I sat in the House for ten years and never made any such remarks as he has uttered to-night; I should not like to do it under any consideration. Now at Fort Kent and Clair nearly all the tourist traffic bound for Montreal and other parts of Quebec crosses the boundary, and there is a town of considerable size there. I may also inform my hon. friend that the northern part of the county of Madawaska is thickly and not thinly settled. He can satisfy himself on that point if he will travel through that part of my county next summer. This bridge will be built at the expense of the state of Maine and the Dominion of Canada. We already have an international bridge across the St. John river. It is practically the only benefit we derive from the Dominion treasury whereas that part of New Brunswick contributes thousands of dollars to the Dominion treasury every year. I am satisfied that the port of Clair yielded one million dollars in customs duties during the last ten years, and has done so for the past twenty years. I know what I am speaking about. If my hon. friend does not know any more about the revenue derived from that locality than he does about the population he is not very well informed.

About ten years ago, or a few years before the Great War began, parliament voted a subsidy to build this bridge. It was not constructed, however, owing to difficulties that were raised by some friends of the then government. They wanted the bridge to be built at the door of a certain gentleman, a Conservative too, who had so much influence with the government that he blocked the entire enterprise. Since that time the public have felt the need of the bridge very much. I do not care what government builds the structure; it is badly needed, especially in the interest of the country around the upper part of the St. John river which my hon. friend knows is one of the important districts of the province. My hon. friend should know that the district in question is growing very rapidly. He ought to know too that we need an international bridge, and I hope he will not place any more obstacles in the way of carrying out the project.

Mr. HANSON: My hon. friend has missed the whole point of my criticism. I am not complaining particularly of the construction of this bridge, but I am accusing the govern-

ment of inconsistency in undertaking a work of this magnitude when they cannot find a very much lesser sum for a much smaller structure at a more important point in the community. I should like to point out further that the government of Canada have already built a bridge at a point in that up-river country not very far from the site of the proposed bridge—less than thirty miles away, if my memory serves me aright. I am not so ignorant of the conditions in that part of the country as the hon. gentleman alleges; I have been up here within the last two years. This district is comparatively new country, and the settlement is very largely along both sides of the river. I venture to say that the most important traffic on this bridge when it is constructed will be rum runners from the state of Maine into the province of Quebec.

Mr. MICHAUD: Going to Fredericton, I suppose?

Mr. HANSON: I think I am justified in that statement from the facts which have come to my knowledge. But that is not the point at all. What I complain of is that the government have refused to meet the authorities of the state of Maine in regard to the construction of a much smaller, less expensive, and much more important structure. For reasons that are quite apparent here, and quite apparent to the minister, they refused to build the structure that has been asked for by the people of York county and the people of Vanceboro in a much more thickly settled district, and in the direct line of tourist traffic—in fact it is the most direct line—from the New England states to the city of St. John. I should like to point out this further fact, that the county represented by my hon. friend is about to receive a splendid post office from this government. It looks as though the government can find money for certain public works in certain constituencies but they are unable to find funds for works in other constituencies.

Mr. MICHAUD: Does my hon. friend not know that in the county of Madawaska there has not been one public building constructed by any government. It is about time now that we should have one.

Mr. KING (Kootenay): My hon. friend from York-Sunbury is hardly fair in his remarks. This matter is not a new one because I find a vote of $30,000 was provided in the estimates for 1914-15 for a bridge at this point. In 1915-16 there was a re-vote and again in 1916-17.

[Mr. Hanson.]

Mr. MICHAUD: That is for the same bridge.

Mr. KING (Kootenay): The committee will readily understand, therefore, that this project has been before parliament year after year. My hon. friend (Mr. Hanson) has suggested that we are discriminating against him in the request he made last year.

Mr. HANSON: Two years ago.

Mr. KING (Kootenay): No, last year I think the request was made that the government should enter into arrangements with the state of Maine to construct a bridge across the St. Croix river. But under conditions as they are to-day I feel that we should complete projects that are already in hand before entering upon new undertakings. I have no doubt the structure to which he refers is an important one, but I can assure him that the representation of the county has not entered into the matter. He knows very well that many public works throughout Canada are being requested by members in all parts of the chamber, but the government are not in a position to-day to carry them out. I can say to my hon. friend that the government are not neglecting this matter. On the contrary we have been making very thorough and very careful inquiries. The sum originally suggested was considered too large, and the engineering staff investigated the situation in order to see whether a bridge that would meet the demands of traffic could not be constructed for a smaller amount than had been suggested.

Mr. HANSON: Does the minister consider the expenditure of the money upon this structure an absolute necessity, having regard to the financial condition of the country to-day?

Mr. KING (Kootenay): There have been negotiations with the state of Maine since 1914 and 1915 with regard to this matter, they have appropriated sums of money in conjunction with this parliament and I think that we should continue to vote that sum at least this year in order to carry out the understandings that were entered into by the friends of my hon. friend when they were on this side of the House. I am sorry the hon. gentleman has seen fit to view the structure in the way he has. That is not the way I view it. I respect my hon. friend as a member of this House, and I like to consider his representations and do the best I can for him.

Mr. HANSON: I am bound to say that the minister is sympathetically inclined towards

the request I have made. I think he has always found me ready to do him justice, and I want him to do me justice. It is quite apparent that the reason this bridge was not built, if it was in the estimates so long ago as 1914 and 1915, was because of the war.

Mr. SUTHERLAND: There were no rum-runners then.

Mr. HANSON: No. I hapen to know this community, and I do not think the minister would be justified, having regard to the financial conditions, to build a structure of that size at this point, when he is aware that there is a fine bridge, 30 miles away, crossing the international boundary at Edmundston. Half of it was paid for by this government, and half of it was paid for by the state of Maine. I think the last payment was made only two years ago. Here is the situation: On the frontier, several hundred miles long, there is at present one international bridge in the northern part of the county connecting Edmundston with the state of Maine. The density of settlement is all south of that, along the international boundary, as my hon. friend well knows, and the further north you go along the frontier the nearer you come to the wilderness. This part of Clair that has been spoken of is near the head waters of the river, in the very western angle of the province, and I submit that for the purposes of local traffic it is not justified. There may be some justifictation on account of the through traffic which has lately originated between the province of New Brunswick and the state of Maine. I leave it to the minister's imaginaation to say what that traffic is. It is pretty well known out in that part of the country. but the other bridge, for which I asked him to place a vote in the estimates, is not for any such purpose at all. It is to accommodate a very large and increasing volume of tourist traffic by automobile between the New England states and the province of New Brunswick, on a line which will be the most direct route between the province of New Brunswick and the state of Maine. It has been asked for by the people down there. Half of the amount has been voted by the state of Maine and that vote is now current, but it will lapse this year unless this government does its share. It is immaterial to me whether it is built or not, but the people of the community want it.

Mr. CALDWELL: I would like to join with the hon. member for York-Sunbury (Mr. Hanson) in support of the bridge at Vanceboro. I think it is a necessity and should have been built long ago. In fact, it should have been built by his friends when they were in office. I cannot agree with him when he says that, considering the density of the population, it is a more important point than Fort Kent on the American side or Clair on the Canadian side. I do not know whether he is as well acquainted with that section as I am. I do know that development has taken place in that northern section of New Brunswick more rapidly in the last ten years than in any other part of the province. There is no doubt about that.

Mr. HANSON: What district is the hon. gentleman speaking of?

Mr. CALDWELL: North of Edmundston. I happen to be very well acquainted with that country. I have done business all over that country for the last fifteen years and I know it very well indeed. I went up there last year and was surprised—not having been there for three or four years previous—to find the development that had taken place. I think $150,000 is a pretty costly bridge to construct over the river at that point. The minister would be well advised to have his engineers look into the project very closely because the river St. John is not such a large river at that point as it is further down, where the other tributaries come into it. At the same time a bridge is needed. The density of the population is great on both sides and there is a great deal of traffic there. I regret to hear the hon. member for York-Sunbury (Mr. Hanson) say the only traffic across that river would be rum-runners. I could not credit that. There may be some rum-running done there. I think possibly that there would be as great traffic in rum-running at Vanceboro if this bridge were built. However, as a result of the late conventions entered into by the United States and Canadian governments, I think they will be able to handle this traffic very well indeed. In speaking of the international bridges, it is a fact that there is only a very limited portion of the boundary between the province of New Brunswick and the state of Maine that is international water, the St. Croix river for a short distance in the southern part and the St. John river in the northern part. There is an international bridge at St. Stephen, New Brunswick, on the St. Croix river. I do not know how far from Vanceboro that would be.

Mr. HANSON: Forty-five miles.

Mr. CALDWELL: My hon. friend from York-Sunbury (Mr. Hanson) says there is a

good bridge thirty miles from Fort Kent. That is a good distance to travel, when you have to come back thirty miles on the other side of the river. It would mean you would have to travel sixty miles, and I do not think that is reasonable. I would urge the minister to consider both bridges. Both are very badly needed. Let the minister consider whether the bridges at Fort Kent and Clair could not be constructed for less than $150,000. It seems to me it should be done for less.

Sir HENRY DRAYTON: When was the private bridge at Vanceboro destroyed?

Mr. KING (Kootenay): I have not the information, but if my memory serves me aright, my attention was called to it when we were making up our estimates for 1923-24. My hon. friend says two years ago. He may be right. This bridge was part of the dam; they utilized the structure of the dam for roadway purposes. I think this timber has to be taken out.

Mr. CALDWELL: How has the traffic been accommodated?

Mr. KING (Kootenay): They were using the dam, which has to be removed. I have not definite knowledge of it.

Mr. CALDWELL: What will be the method of getting across when the dam is removed? Will there be a ferry or a temporary structure?

Sir HENRY DRAYTON: There is quite a difference in the conditions affecting the two propositions. In the one instance the country is making a new avenue and in the other it is replacing one that is gone. How are the public going to get along down there? They have been accustomed to using this bridge.

Mr. KING (Kootenay): I suppose they will go down and cross the river below on a ferry.

Sir HENRY DRAYTON: What distance are they from the next bridge?

Mr. KING (Kootenay): I have not the information. We have not that item before us. I am only speaking from memory, but I would say from 25 to 30 or 40 miles.

Mr. HANSON: Milltown.

Mr. KING (Kootenay): Milltown.

Sir HENRY DRAYTON: If that is true the people that had a road and an international bridge which is now taken away, instead of having to go 30 miles, have to go 40 miles out of their way. The government is starting a new venture, to cut out an unnecessary detour of 30 miles, while providing no remedy for this disability of 40 miles. My hon. friend says, "Let us get rid of the things we are committed to." Why he has not even bought a site. When does the vote in connection with the Clair bridge run out?

Mr. KING (Kootenay): In 1925.

Sir HENRY DRAYTON: The same year as the Vanceboro vote runs out.

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: What difference is there in favour of Vanceboro as against Clair? There is a fifty-fifty offer. Is there any difference, except that one bridge really costs more than the other?

Mr. KING (Kootenay): My hon. friend is dealing with the viewpoint of it being a provincial bridge and provincial traffic. These interstate and interprovincial bridges only come into consideration occasionally. The traffic in New Brunswick and in the state of Maine is not every day traffic. It is interstate and interprovincial traffic. It is true that there has been an indifferent roadway through that section of the country used by people who had to use it back and forth. I am advised the railway is not of a first class character. The trading points of the people there are not in the state of Maine but in adjoining towns within the province of New Brunswick. My hon. friend will say that this is a smaller expenditure and his friend from West York says that the population is more dense and, therefore, should receive consideration. We have had a variance of opinion on that. The information I have been able to gather is that in the northern portion there has been greater activity and a more rapid development in population than there has been at this point where my hon. friend says that we should put in an interprovincial bridge where heretofore the residents utilized the top of an old dam which is now being removed I should like very much to meet the desire of the hon. member for West York and to give the people of that section accommodation which would be nice for them, but it has not been thought wise in the judgment of the government to put in the estimates an item for that structure. The item under discussion deals with a bridgeway at Clair, a matter that has been under consideration between the Dominion and the state of Maine for some years, dating back to 1914-15.

Sir HENRY DRAYTON: What difference is there between the character of traffic at one point and the other?

Mr. KING (Kootenay): I do not think there is any difference. There will be a little more north than south.

Sir HENRY DRAYTON: Has my hon. friend figures on that?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: Has he any figures in connection with the traffic that went over the old structure at Vanceboro?

Mr. KING (Kootenay): Not at hand.

Sir HENRY DRAYTON: Then the whole character of the traffic is the same, the offer of the state of Maine is the same, the vote of the state of Maine and its offer both adopted in the same year. There is nothing in those one way or the other. Is there anything in this at all except that one is to cost the country $75,000 and the other $17,000?

Mr. MARTELL: We spend a great deal of time discussing small votes for the Maritime provinces. I quite agree with the hon. member for West York that if there is a valid claim there it should be implemented. Supposing we spent $10,000,000 in the Maritime provinces in order to give the people proper facilities for trade, that would not involve one-tenth the indebtedness that is being incurred for outlays in other portions of the country. We vote millions upon millions with very little discussion in this House when the expenditure is for the benefit of the people of other provinces; but the very instant a small item for the Maritime provinces comes up for consideration, we are treated to disquisitions from practically every member in the House from Cape North to Vancouver. I do not care who represents in this House a constituency in the Maritime provinces, whether he be Liberal, Conservative or Progressive, I am quite confident that when he is advocating something in the interest of his particular constituency, he is not advocating anything that is not our just right in the provinces which constitute the Maritimes of the country. I am deeply grateful for the fact that we have as Minister of Public Works, the Hon. Mr. King, an old Maritimer who, when he left the Maritimes went to the maritime coast of the Pacific. Therefore, we hope that he will constantly bear in mind the interest which we have in the Maritime provinces. These breakwaters, wharves, bridges, are just as essential to us in the Maritime provinces as railways are to the people of the West, and we should view these things in a broader spirit. No man wants to waste public money at the present time.

It is a wonder the people of the Maritimes remain in confederation. It often comes to my mind that it is a wonder why the law-abiding people of the Maritime provinces do not break out into rebellion, because they are constantly being made hewers of wood and drawers of water for the rest of the people of this Dominion. It has been said that confederation was cradled in the Maritime provinces. None of us is asking to get out of confederation; but if we are going to have things that are absolutely essential to the people of the Maritime provinces taking up the time of this House and carping criticism directed at them, while millions are voted for other portions of the country which were built up by the Maritimes, then you are only hastening the day of rebellion in the Maritimes.

I am surprised that above all others the hon. member for West York, the ex-Minister of Finance (Sir Henry Drayton), a man who is usually fair and one for whom I have great regard, should spend so much time in carping criticism of anything intended to promote the interests of the Maritime provinces. The Minister of Public Works would not be very far amiss to grant both the bridges, the one asked by the hon. member for West York, though he may be a Tory and I cannot claim to be very much in sympathy with the Tories, and the one asked by the hon. member for Restigouche and Madawaska (Mr. Michaud). If the Maritime provinces got both, they would not be getting one-half of what is squandered in other portions of the country and which is voted with very little discussion.

Sir HENRY DRAYTON: My hon. friend has got the wrong corner of this. I have been talking in favour of a bridge at Vanceboro and wondering why on earth it is dropped in order to go to a place further away.

Mr. MARTELL: They are both necessary.

Sir HENRY DRAYTON: I am not opposing the bridge at Vanceboro. On the other hand, I am trying to see why we cannot get it. There is an item inserted in the estimates and I want to see the reason for the distinction. If by any means we can get a bridge in that part of the country, in a proper place, we should get it. I do not see

why my hon. friend is cross with me. I am sure he is not, it is merely simulated wrath. There is a bridge to be built where there is no traffic, there is a bridge not to be built where there is traffic and where they had a bridge which has disappeared. There is no difference in the character of the use; they are both exactly the same. There is no difference in the offer from the state of Maine; it is exactly the same. The only difference is that one bridge will cost $75,000 and the other $35,000. A suggestion was made why the more expensive bridge is being built, and that suggestion was that it did not happen to be in a Conservative constituency represented by my hon. friend who raised the question. I have been endeavouring to find out if there is any other reason and so far I have not been able to get it. That is all.

Mr. CALDWELL: I might be able to help the hon. member for West York a little as to the difference in traffic at those two points. At Vanceboro there is practically no population except the town of Vanceboro on the United States side and the town of McAdam on the Canadian side about six miles from the international boundary. They are connected by a railway bridge across the St. Croix river at Vanceboro. I do not know how many horses there are in Vanceboro or in McAdam, but in any case there must be very few because these two places are railway towns and whatever traffic there is all goes over the railway bridge. At Fort Kent and at Clair the situation is absolutely different. I may observe by the way that the country around Vanceboro and McAdam is not and probably will never be settled by farmers. It is not farming land; and although it was good for lumber at one time it is a rocky section of country, of granite formation. This is one part of the province of New Brunswick which has always struck me as an unfortunate location for a railway to pass through, because people coming from the West and from the middle provinces get a very poor impression of New Brunswick as they go by rail past this district. It is a section of country not fit for anything except bears and game; it reminds me of what an hon. member said last year in regard to some section of northern Ontario which he described as being all rocks and Christmas trees. These two towns are pretty much in the same condition. At Fort Kent and Clair, however, there is a very fertile country thickly settled by farmers and there is a lot of local traffic across the team bridge in that locality which would not exist at Vanceboro. The traffic at Vanceboro is largely tourist traffic; there would be very little local traffic there. At this other place, however, it is important that a bridge should be built with the least possible delay. But there is no comparison at all between the country around Vanceboro and the district at Kent and Clair from the standpoint of local traffic. As I say, the bridge at Vanceboro is a railway bridge and it serves very largely the tourist traffic to and from the Maritime provinces. It is one of the gateways into the Maritime provinces and Americans coming to that part of the Dominion very largely go by that route. But, I repeat, there is no comparison between the two districts from the point of view of local traffic.

Mr. HANSON: What the hon. member does not know about local conditions and the extent of traffic that passes through Vanceboro would fill a book. I venture to say that in his whole lifetime he has not spent any appreciable time there, apart from an occasional quarter of an hour which he might put in at McAdam while changing from one train to another or getting his lunch. That would be the extent of his acquaintance with local conditions. Let me tell him that there are from twelve to fifteen hundred people living in McAdam and that there are some one hundred and twenty motor cars owned in the community. The most direct route these people have out of the place is the Vanceboro road; they have to cross at Vanceboro and go down on the Maine side to get to the nearest town of St. Stephen. It is only in recent years that they have enjoyed the benefit of a highway from the east towards Fredericton. That road was completed only a year or two ago and until then the only highway out of the community was via Vanceboro and on the American side either up or down. The hon. member says that Vanceboro is a small community.

Mr. CALDWELL: No; I said it was a railway town.

Mr. HANSON: They are both railway towns, and there is traffic through them; there is vehicular traffic that absolutely requires a bridge. As a matter of fact there used to be a bridge, not by the grace of any government but by the good will of the paper company who operated in the neighbourhood and who owned the bridge. These people notified the inhabitants well in advance that they were going to tear down the dam and that therefore a new bridge would have to be provided. We would not be here asking for a bridge if it

were not that the provincial government of New Brunswick, whose duty in my opinion it was in the first instance to provide one, absolutely refused to contribute a dollar, passing the buck on to the Dominion as they usually do if they have the opportunity. But there is ample precedent for this government contributing half of the cost of the bridge; the Dominion government did so in the case of the other international boundary, on the St. John river in the very community or within a short distance of the community where the minister now proposes to build an expensive structure. No matter what the traffic may be between Clair and Fort Kent the river is of such a nature there that it is feasible to ferry it, while on the St. Croix river, where the bridge was situated, ferrying is impossible as anyone can see who looks out the railway car window. It is not possible to work a ferry there because there is not a sufficient depth of water in ordinary times; it is a shallow stony stream which can be crossed only by a bridge.

Sir HENRY DRAYTON: We should have this item properly stated. My hon. friend informed the committee that Maine was to put up half the cost of $150,000. Why does he not let us have the proper estimate so that the work can really go on? I should think it would be done by a lump contract and the amount of the contract ought to be voted before the contract is let. That is the usual thing. But there is a more serious objection to the vote as it stands: It does not agree with the statement given by the minister. The vote reads:

—the state of Maine to provide $15,000; county of Aroostook, $10,000 and town of Fort Kent, $5,000.

That totals only $30,000, but if my hon. friend is right there should be a contribution of $75,000.

Mr. KING (Kootenay): I think the item is being voted in the usual form. There is no great advantage in our having more money than we can expend this year; it would only swell the estimates and my hon. friend would be the first to complain that if we could not spend the money we should not vote it.

Sir HENRY DRAYTON: Not for contract work.

Mr. KING (Kootenay): There is no contract let.

Sir HENRY DRAYTON: The liability has to be undertaken for the whole $75,000.

Mr. KING (Kootenay): This was the practice in 1914, 1915 and 1916 and in 1920.

Sir HENRY DRAYTON: Why should we have an untrue statement in the wording of the vote?

Mr. KING (Kootenay): I understand the wording is absolutely the same as it was in 1920.

Mr. CALDWELL: To clarify matters, the minister might tell us what agreement our government has with the state of Maine to ensure that they will pay up the balance of their share of $75,000.

Mr. KING (Kootenay): There is no agreement. They set aside certain moneys on the understanding that there would be an agreement after the site had been settled upon and a final estimate made. This
9 p.m. vote has been carried along; it is a preliminary vote. The same practice was followed in the Edmundston construction; I cannot see the advantage of voting $75,000.

Sir HENRY DRAYTON: Why not tell the truth in the item?

Mr. KING (Kootenay): What does the hon. gentleman mean?

Mr. CALDWELL: I am surprised at the attitude of the hon. member (Sir Henry Drayton); I cannot understand why he should want us to vote the whole sum for the bridge although it may not be completed for two or three years, when he absolutely objected to allowing the whole amount to go through in the case of railway construction where there was also a contract.

Sir HENRY DRAYTON: The hon. member is entirely wrong. We never did anything of the sort.

Mr. CALDWELL: The hon. member's leader did.

Sir HENRY DRAYTON: He never did.

Mr. CALDWELL: I may be obtuse, but I leave it to the judgment of the committee whether the hon. gentleman did not object last year to the bringing down of the whole amount for branch railways; he insisted that the necessary amount should be brought down in the estimates each year. Now the hon. member's attitude is different; he wants the committee to vote the whole sum to build this bridge notwithstanding that we may use only $20,000 this year. I want to be sure that we are not going to undertake the building of a bridge costing $150,000 and then find it left on our hands without some guarantee that the state of Maine will pay its share.

Mr. KING (Kootenay): We will not go on with the construction without such a guarantee.

Sir HENRY DRAYTON: The hon. member is wrong in his reference to the railway matter. The issue was as to the necessity for having the expenditures voted. We took the position then, and we take it now, that the honest and the proper thing to do was to bring down in the annual vote the amount of money needed and not to put it through by statute so that it would not appear in the estimates. The hon. gentleman says he must be obtuse. Well, he must be if he did not understand our position. The whole thing was that there should be a vote in the estimates. If hon. gentlemen did not understand that I do not know why not. The minister has told us that the state is going to pay half this sum. The vote as it reads says that American interests are to pay only $30,000. I suppose it is open to the House to be as inconsistent and to do as many foolish things as it pleases—to say one thing and to write another. If we want to make ourselves ludicrous, let us know we are doing it. The minister says he is keeping this up because it was in an old vote. I do not know what the cost was in the old vote; things have multiplied in connection with cost. It well may be that $30,000 represented half the cost before, but to-day half the cost is $75,000. Can any reason be suggested why the truth ought not to be shown in the estimate? Of course I do not know where the truth is; whether it is here—passed by the government and sent on—or whether it is given by my hon. friend.

Mr. KING (Kootenay): The hon. gentleman must understand the matter; he has had it before him and under consideration at various times. So far as the government is concerned we are dealing with the state of Maine and the state of Maine are dealing with two municipalities. The three of them are carrying on and undertaking to pay half the cost of the construction, or to share half the cost with the Dominion government. This item represents their proportion as amounting to $30,000. In 1914-15, $29,000 was voted for this purpose, and the explanation given then would apply to-day, I assume. We are dealing with the state of Maine and they are dealing with the municipalities.

Sir HENRY DRAYTON: Is there any objection to the truth being stated? Why not say, "one-half of the cost of the said bridge to be paid by the state of Maine," and strike out the reference to the municipalities with which the minister says he has nothing to do?

Mr. KING (Kootenay): I think I would not disturb the vote. There is no objection to it as it has been. It is not deceiving anyone.

Sir HENRY DRAYTON: Yes it is.

Mr. KING (Kootenay): I think not.

Sir HENRY DRAYTON: Well, the vote is simply stating something which is not true.

The CHAIRMAN (Mr. Marcil, Bonaventure): Shall the item carry?

Some hon. MEMBERS: Carried.

Sir HENRY DRAYTON: On division?

The CHAIRMAN (Mr. Marcil, Bonaventure): Carried on division.

Interprovincial bridge over the Ottawa river at Hawkesbury, the Ontario and Quebec governments to each contribute one-third of the cost, $40,000.

Mr. HANSON: These estimates are misleading; they do not show what the cost of the proposed bridge is to be. No wonder the public have no confidence in this sort of thing. A bridge across the Ottawa river at Hawkesbury will cost millions, judging from the appearance of the railway bridge at that point; $40,000 would not buy the site. How much is this bridge going to cost?

Mr. KING (Kootenay): This amount is required towards the Dominion government's share of the cost of construction of an interprovincial bridge across the Ottawa river between Hawkesbury, Ontario, and Grenville, Quebec. There was a vote each year from 1910 to 1916-17 for this structure. We have suggested to the provincial governments that they should share the cost equally with the Dominion government. Up to date I do not think the provinces have accepted this suggestion, and this vote will probably be carried over another year. I think, however, we should leave it in the estimates, because the provincial legislatures will be meeting and I have no doubt that representations will be made to them. As to the necessity of this bridge I have no doubt. There is no bridge across the river between Montreal and Ottawa and those who are familiar with the country adjoining the river on both sides will realize the necessity of such a bridge and the great convenience it would be to the people in the two provinces. The total cost of a high level bridge is estimated at $446,000. A further examination was made to see if the cost could be reduced by constructing a low level bridge, and for such a bridge we have an estimate of $362,000. On July 31st, 1914, tenders were

asked for the substructure of this bridge and were received. The work was not gone on with, although I think a survey was made in connection with the bridge site.

Mr. HANSON: Do I understand the minister to say that neither of the provincial governments has made any preparation by way of vote for the construction of this bridge?

Mr. KING (Kootenay): We have not been advised.

Mr. HANSON: And there is no agreement with them of any kind?

Mr. KING (Kootenay): No.

Mr. HANSON: Is the Dominion government promoting this legislation on its own account, or have they been asked by the provinces to do it?

Mr. KING (Kootenay): Asked by the people of the locality.

Mr. HANSON: There is no guarantee or undertaking that the provinces will contribute any portion of the expense?

Mr. KING (Kootenay): Not yet, no.

Mr. MARTELL: Is it not the case that under the British North America Act interprovincial matters shall be dealt with by the federal authorities?

Mr. HANSON: No, I do not see any reason why the Dominion government should pay anything toward interprovincial bridges, and I can cite cases where they have not paid. I can cite you a case of an international bridge where the Dominion government has not been called upon to pay, and that is the bridge across the St. Croix river, which was paid for jointly by the town of Calais and the province of New Brunswick.

Mr. MARTELL: They were very generous then. It really should have been done by federal authority.

Mr. HANSON: I do not think so. It is a matter for the immediate locality to take care of. The reason why I rose was to complain of the way the estimate is made out. It conveys no information as to the ultimate liability of the country. A good many estimates are presented in that way, and to the casual observer or to the uninitiated there is no idea what the country is being committed to when the House passes a partial vote of this character. Unless there is a very full and frank statement on the part of the minister in charge of the estimate parliament is entirely in ignorance of what the ultimate commitment may be, and in so far as that is the case it is a deception—I will not say a deception, because that is not a very nice word to use, but there is a lack of the information that the House is entitled to, and these votes slip through before they are fully understood. I am not very much of an engineer, but I have been across the highway bridge at Hawkesbury. It is a magnificent structure and must have cost a great deal of money, and if you can build a high level bridge there for $440,000 with things costing what they do to-day, you are a wonder.

Mr. GRAHAM: Is not my hon. friend mistaken in saying a high level bridge?

Mr. HANSON: Yes, it is a highway bridge.

Mr. GRAHAM: My hon. friend has brought up a question which, if he had listened closely, he would have heard discussed some weeks ago. The United States practice in this regard is to place in the first estimate the full amount the work will cost, and the item is then voted, and congress is not asked to vote any more until that vote has been exhausted. But the practice in this House has always been to vote the amount required from year to year, and there is no departure from that practice here.

Mr. HANSON: I am not objecting to parliament voting the amount required from year to year, but I do say that the item in the estimates should convey the total commitment of the country, and that is absent in this case.

Mr. GRAHAM: It has always been absent, and that is one of the weaknesses I have pointed out time and again.

Mr. HANSON: Then where is the agreement?

Mr. GRAHAM: My hon. friend has reached an agreement on only one or two points. I would be in favour of sitting down quietly some day with representatives of all parties, and discussing this question with a view to adopting a new method of submitting estimates. One way would be to give the total estimated cost when the item was first placed in the estimates. The next question is, should that amount be given as a matter of information only, and the amount required each year be voted annually, or should we follow what I am told is the practice in the United States—and I had the bill sent to me here which I think bears out my information—where the vote is passed for the entire

amount, and no further vote is asked until that is exhausted? Of course, it would be pointed out at once that that would be taking in one vote the balance that we vote from year to year, and it might make it a little difficult for the first year or two if we voted the full amount in all estimates of this kind. It would make our estimates a little disjointed at first, but that would adjust itself in a year or two.

Mr. CALDWELL: Do I understand the minister to say that in the United States they put the total cost of construction in the first estimate and vote it, notwithstanding the fact that it may take two or three years to complete construction?

Mr. GRAHAM: I am so advised by my law officers, who have studied the United States law and presented it to me.

Sir HENRY DRAYTON: That is right.

Mr. GRAHAM: If there was a building to be erected in the city of Ottawa, for instance, costing $100,000, that amount would be placed in the estimates and voted, and no more money would be voted until that $100,000 was exhausted, and the House would hear no more of it except progress reports as the work was being done. There would be no further vote asked for that work unless $100,000 proved to be insufficient to complete the structure. There are just two methods, and we have adopted the other one in this House, but I am not sure that it would not be well some time to work out some scheme by which all the information would be given in the estimate.

Sir HENRY DRAYTON: There is one feature about the American system that is very, very much in its favour, I think, and that is that if the original estimate is ever exceeded, all the cards have to be laid on the table and somebody is going to get the blame. Something has gone wrong somewhere, and the attention of everybody is drawn to it. On the other hand, we could not apply it here. Frankly, I wanted to do it personally, but I found difficulty; there are always difficulties when you try to make any changes. The vote under the American law does not lapse; no matter when the work is done. Under our law it lapses at once, and what we would have to do would be to change our whole system. Where my mind was running was along this line, and this was something I intended to take up with my hon. friend in connection with the rearrangement of audits and all these things, out of which has come his committee: That we should always give the total estimate in the first vote, and in the meantime vote just what we require from year to year, and then provide for a change in the wording of the estimate, so that it would show the original estimate as so much, the amount expended to date as so much, and then the House would know just exactly how it stood when they were voting money from year to year. That could be done without any change of law.

Mr. GRAHAM: You would have greater care in passing the estimates then.

Sir HENRY DRAYTON: Yes, we would know what we were doing.

Mr. CHAPLIN: The minister has not replied to the very pertinent criticism of the hon. member for York-Sunbury in respect of the fact that this bridge is an interprovincial bridge, and we have had no evidence of any desire on the part of the provincial governments to enter into any such contract. It seems to me that if the people on each side of that river want the bridge built they should apply first to their provincial governments and get them in favour of it, and then they could come to us with an agreement. But this is simply putting the cart before the horse. I think this estimate ought to be cut out entirely. It is a bridge from the province of Ontario;—I want to call the attention of the hon. member for Hants (Mr. Martell) to that— and I think the vote should be cut out until the provinces are in agreement.

Mr. MARTELL: My hon. friend has referred to me. Does he not think that where the matter is an interprovincial matter and has to do with trade between different provinces of the confederation it is truly a matter of federal jurisdiction?

Mr. CHAPLIN: I agree with the hon. member for York-Sunbury that it should be taken care of by the provinces.

Mr. MARTELL: Then the sooner the provinces get out of a confederation the better.

Mr. BAXTER: I would like to suggest to the hon. member for Hants, who says that it is a matter of federal jurisdiction, that that is true so far as legislative jurisdiction is concerned, but as to expenditure, that does not necessarily follow. I can understand different aspects of this. It may be that the bridge may serve some general Dominion interest. I do

not know whether it does or not. It may be that it serves a purely provincial or municipal interest. As to that I am equally in the dark. Is it not evident, and must it not be evident to the minister himself, that a proposition involving this amount of money should be accompanied by some reasons why there should be such a bridge, why it should be placed in a particular location, and why the people of Canada should make this contribution towards it? Then we get the reasons for the vote. But up to the present moment and I think the minister will agree with me, there has been a singular lack of information to justify a vote of this character. All the information we really have is that the government—perhaps one would be more correct in saying the officials of the minister's own department—had put this item in the estimates. With all respect we ought to have more information on the subject.

Mr. STEWART (Argenteuil): I think I can throw some light on this very vexed question. First let me say that from Ottawa eastward for almost one hundred and twenty-five miles there is no bridge over the Ottawa river. At the capital there are the interprovincial bridges. Towards their construction the provinces and the Dominion contributed one-third each. That would be a precedent apparently, but that precedent was not carried out at first in connection with the Hawkesbury bridge. An agreement was entered into for its construction just prior to the war, but owing to the outbreak of hostilities operations on the bridge were discontinued. At that time the government of Quebec were under an agreement to make a grant of $15,000 towards the construction. In the particular locality there is a stretch of the river which for almost fourteen miles is very turbulent owing to the rapid fall of the stream. For that reason no ferries can operate and it is almost impossible for the people in the locality to cross the river. A very serious mistake was made in not making provision for pedestrian and vehicular traffic when the Canadian National Railway bridge was built across the river at that point. However, that was not done, and it seems to me when such difficulties exist along both sides of the Ottawa river for such a long distance, that at this point provision should be made for traffic across the river. The people of the locality have been agitating the matter with both the provincial governments and the federal authorities, and the minister has intimated to the other governments concerned that he is willing to make a contribution on the same basis as in the case of the interprovincial bridges at Ottawa, namely, that there should be a split three ways. I know from observation that the structure is very badly needed. As it will be of an interprovincial character, as the precedent to which I have referred exists, and as the federal government prior to the war assumed the responsibility of starting the construction with a very small grant from the provinces, it seems to me that our present action is only an evidence of good faith. That is the situation, and that is the reason this item appears in the estimates. It is for the purpose of commencing construction if an agreement can be reached with the provincial governments.

Mr. BAXTER: I do not want to be in the position either of opposing or supporting this particular project. I really want to get at the principle which underlies it. Am I to understand that this is put forward by a member of the government as a general principle that will be applicable to similar conditions elsewhere? Further I should like to know if this bridge will connect two lines of highway which run for a considerable distance from the river, and not merely link up two communities on the river that are practically opposite one another. I will wait for a moment.

Mr. STEWART (Argenteuil): Yes that is quite correct.

Mr. BAXTER: I am waiting a moment for some conversation to cease so that I can continue. It is an extremely difficult task to think, speak and listen at the same time. I wonder whether the situation would be something like this: Take a highway running say from Ottawa to Kingston. Suppose that on that route a bridge were constructed connecting with a highway running for a hundred or a couple of hundred miles from the river. Would that be the condition here. Or are you simply connecting two settlements where the traffic is purely local? I just want to get the exact condition. I am going to ask the minister also, because I do not want to speak again, to define the conditions because I contemplate some day making an appeal to the House—if I have the permission of the hon. member for Restigouche and Madawaska (Mr. Michaud) who does not care particularly to have other members of the House advocate things in connection with his constituency—to assist in building an interprovincial bridge in the vicinity of Campbellton connecting New Brunswick with the Quebec shore. I want to know whether, under

those circumstances, we may assume that the Dominion will provide one-third of the cost, if the two provinces in question will each provide one-third?

Mr. KING (Kootenay): Some years ago the Dominion government took the initiative in providing money for these interprovincial bridges, but in later years there has been a disposition on the part of the federal authorities to have an equal division of the expenditure among all the governments concerned. When the new interprovincial bridge at Ottawa was built some years ago the Dominion bore one-third of the cost. We are adopting the same principle in the case of the Hawkesbury bridge. If the Dominion is to contribute surely the provinces interested ought to do the same, and one-third of the expenditure each has been considered a fair proportion. In the case of the proposed bridge between New Brunswick and Quebec to which my hon friend has alluded the disposition of the department would be to meet one-third of the cost, provided the two provinces each contributed an equal amount. In the case of the Hawkesbury bridge I am advised that there are highways running east and west along the river the traffic from which would pass across this bridge at this particular point. The proposed bridge would not only serve the local residents but would meet the needs of a very large area.

Mr. CALDWELL: Would it help to relieve the drought in Ontario?

Mr. KING (Kootenay): I do not know I am sure.

Item agreed to.

Des Joachims bridge—repairs, $6,400.

Sir HENRY DRAYTON: Before the resolution carries I want to get some information from my hon. friend. I find at the foot of the list of items "Appropriations not required for 1924-25, $46,150." Has my hon. friend the information now to show how much of that is lapsed votes and how much represents completed work?

Mr. KING (Kootenay): My hon. friend is in luck and I am out of luck in regard to this question. A statement has been handed to me of appropriations not required with expenditures from those appropriations, except expenditures for roads and bridges which was not available. I am very sorry I have not that information, but I will supply it to my hon. friend. I have the British Columbia harbours and rivers now. Out of the item $136,435 not required for 1924-25 I find $100,481.21 has been expended, leaving $36,000 unexpended.

[Mr. Baxter.]

Sir HENRY DRAYTON: What are the names of the dropped? Perhaps my hon. friend would hand the memorandum to Hansard.

Mr. KING (Kootenay): Very well.

[The statement is as follows:

	Appropriations 1923-24	Expenditure 1923-24
Anglemont—wharf	4,300	3,323 72
Balfour—to acquire and repair C.P.R. wharf	1,500	1,099 15
Beaton—wharf repairs and improvements	1,760	1,838 46
Bishop's Landing—float renewal	1,400	1,256 30
Burdwood Bay—float renewal.	1,400	1,024 82
Burgoyne Bay—wharf repairs.	1,250	937 14
Canoe—addition to wharf	1,000	999 86
Cracroft—repairs to float	1,500	1,144 42
Crofton—wharf repairs	2,500	2,421 64
Digby Island Quarantine-Station—float	1,150	1,149 74
East Robson—wharf extension.	2,150	2,173 73
Ewing's Landing—reconstruction of wharf	4,900	4,485 22
Fanny Bay—wharf	7,700	6,602 15
Fraser's Landing—new wharf	4,900	77 36
Gibson's Landing—wharf repairs	900	962 73
Grief Point and Ragged-Island booms	8,000	2,214 76
Half Moon Bay—wharf repairs	1,000	885 00
Harrop—reconstruction of wharf	7,700	5,731 30
Haysport—floating wharf	4,000	3,993 66
Herriot Bay—wharf repairs.	1,300	1,275 95
Holberg—moving float and building approach	2,900	2,889 36
Jackson Bay—renewal of float	1,250	1,016 31
Jeune Landing—Quatsina Sound—wharf repairs	2,000	1,970 71
Lockeport—wharf	4,000	4,012 56
Lund—wharf repairs	2,000	1,906 24
Nanaimo—wharf repairs	2,500	2,427 90
New Westminster—wharf extension and repairs	4,300	3,728 33
Porpoise Bay—wharf	4,200	4,146 06
Port Moody—wharf repairs.	3,900	3,503 31
Powell River—wharf improvements	1,150	1,051 13
Renata—wharf repairs and improvements	7,500	7,271 72
Robert's Creek—wharf repairs	1,725	1,597 00
Saanichton—wharf repairs	2,800	2,861 23
Sapperton—wharf repairs	2,200	
Shushartie Bay—float	2,600	2,552 13
Squamish—wharf repairs	3,600	3,797 91
Stewart—contribution towards wharf approach	15,000	
Surge Narrows—renewal of float	1,300	758 78
Tucket Bay—wharf repairs.	1,800	1,794 80
Ucluelet—wharf replacement.	5,500	5,699 56
William's Head Quarantine Station—wharf repairs	3,900	3,899 06
	$136,435	100,481 21

Appropriations not required for 1924-25, $136,435.]

Item agreed to.

Cape Breton telegraph and telephone lines, general repairs and improvements, $7,000.

Mr. HANSON: Has the department given any consideration to the question of government telephone and telegraph lines being taken over by the Canadian National telegraph lines?

Mr. KING (Kootenay): We have transferred some of the telegraph lines to the Canadian National, more particularly in the West, and at some points we are giving them service over our own line, but many of these lines are in outlying section that would not be of any interest to the Canadian National.

My memorandum reads:

This amount of $7,000 is required for the following general repairs and improvements on the Cape Breton telegraph and telephone lines, viz:—

1. St. Peters Section—	
Repoling Fourchu-Rivière Bourgeois line entailing the replacing of 311 poles upon a length of 9⅝ at $100 per mile..	$ 975
2. North Sydney Section—	
Repoling Steel's Crossing loop, entailing the replacing of 510 poles upon a length of 15 miles at $100 per mile..	1,500
Repoling Boularderie line, entailing the replacing of 176 poles upon a length of 5½ miles at $100 per mile..	550
Repoling Eskasoni line, entailing the replacing of 160 poles upon a length of 5 miles at $100 per mile..	500
Repoling Meat Cove line, entailing the replacing of 64 poles upon a length of 2 miles at $100 per mile..	200
Repoling Gabarus line, entailing the replacing of 32 poles upon a length of 1 mile at $100 per mile..	100
Repoling Grand Narrows line, entailing the replacing of 32 poles upon a length of 1 miles at $100 per mile..	100
	2,950
3. Inverness Section—	
Repoling Meat Cove—Inverness line, entailing the replacing of 172 poles upon a length of 5⅞ miles at $100 per mile say..	600
4. Port Hastings Section—	
Repoling Whycocomagh-Strathlorne line, entailing the replacing of 90 poles upon a length of 3 miles at $100 per mile..	300
Repoling Brooks village-Glendale line, entailing the replacing of 90 poles upon a length of 3 miles at $100 per mile..	300
5. Hays River Loop—	
Repoling Strathlorne Whycocomagh line entailing the replacing of 70 poles upon a length of 2 miles at $100 per mile..	200
6. Whycocomagh-Little Narrows line—	
Replacing 264 poles upon a length of 8 miles at $100 per mile..	800
7. Hawkesbury-St. Peters Line—	
Replacing between 300 and 400 poles upon a length of 12 miles at $100 per mile..	1,200
Total..	$7,325

We are asking for $7,000.

Item agreed to.

Bay of Fundy—cable from Indian island to Deer island, $585.

Sir HENRY DRAYTON: That is repairs?

Mr. KING (Kootenay): Yes.

Item agreed to.

Entry—Amherst island—cable, $7,500.

North shore, river St. Lawrence, east of Bersimis—improvement to telegraph circuit on Manicouagan peninsula, $1,200.

Mr. KING (Kootenay): That is renewal.

Item agreed to.

Athabasca—Fort McMurray telegraph line—general repairs, etc., $2,500.

Sir HENRY DRAYTON: Some time ago the whole question was looked into as to getting rid of all these lines out in the West. Some of them were handed over to local governments, who were very glad to get the mileages in connection with their telephone systems. A further suggestion that was made was that, in some of the territories where it was difficult to police and look after the lines and keep the services going, instead of trying to maintain these lines, which were not maintained in many instances, the system should be changed to wireless. It was thought a great deal of money could have been saved. I wonder how that movement is progressing.

Mr. KING (Kootenay): In sections of Saskatchewan and Alberta we have abandoned a very considerable mileage where the railway came in and gave the service. In the far North there has been an installation of wireless under the Interior department. That work will probably be extended, but in the country sections which are sparsely settled a wireless will not give the service that probably is required. The wireless stations are placed at very considerable distances apart, and it would mean that people would have to travel probably a great way to get in to communication with the outside. Last year we abandoned a very considerable mileage. On April 1st, 1923 we abandoned some 423 miles of the Qu'Appelle and Onion lake section. This necessitated the closing of some 10 offices, and dispensing with the services of 11 employees, effecting a saving of $16,500. In British Columbia we have abandoned certain lines on the Grand Trunk Pacific, and the Canadian National took over the line from New Hazelton to Skeena. If you take it all in all, I think there has been a general improvement in the service. That is, we have been able to eliminate some of what we considered unnecessary expenditures. We have

abandoned some lines and some we have been able to turn over to an organization which is operating within the district, so that the government are being saved very considerable expenditure in that way.

Sir HENRY DRAYTON: I suppose the government is still willing to give the municipalities in those districts any part of the system they want?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: Is the department advertising at all?

Mr. KING (Kootenay): If we have a request, we make arrangements for them to take over the operation.

Mr. EVANS: The Qu'Appelle and Onion lake line which the minister has just mentioned was eliminated, I think, last year all the way from Qu'Appelle to Baljennie. Why is the 22-mile portion east of Battleford still left intact with an operator at Baljennie who has absolutely nothing to do? The line is absolutely useless and is nothing but an expense since the other line has been abandoned. From Battleford north to Onion lake, I suppose the line is needed, but in the middle of the settlement there where every farmer has his telephone, the line must be absolutely useless.

Mr. KING(Kootenay): In our abandonment of that line in northern Saskatchewan, we tried to avoid leaving people absolutely in the wilderness. Some form of service was necessary to the people. I am not sure of the locality of which my hon. friend speaks, but I shall have an investigation made in connection with that area.

Mr. EVANS: This is no wilderness at all.

Mr. STEWART (Humboldt): With regard to the same line that was abandoned last year, what disposition has been made of the poles and the wire? The line was built before the country was surveyed into sections. Consequently, it ran right across farm lands, and for a number of years prior to the abandonment it had become a regular nuisance to the farmers. The poles were so old they had rotted off more than once and were reset, and there were farms where it was impossible for an agricultural implement to drive under the wire. Requests were continually coming in regarding the matter. I have on my file a letter from the minister last summer stating that the work would be carried on as quickly as possible, but that at that time the roads were not passable for the men to get to work. Has the farm land been cleared off along the route?

Mr. KING (Kootenay): The wire has been taken down wherever that could be economically done, rewound and brought in. The poles have, in some cases, been taken down, and if they are of no further use, they have been left for the farmers to use for fire wood or any other purpose.

Mr. STEWART (Humboldt): Under what vote was the abandonment of that line paid for? Is it in this year's or last year's estimates?

Mr. KING (Kootenay): It will come out of maintenance vote, item 367 in these estimates.

Item agreed to.

British Columbia—branch of Canal flats—Wasa telephone line to Sheep creek, $450.

Sir HENRY DRAYTON: Is this an extension or a new line?

Mr. KING (Kootenay): This is a small extension off the Canal flats—Wasa line. It was a new line voted last year which will be completed in the vote this year. This will reach out into a saw mill section. Last year there was a vote of $200, but no money was expended. We are asking for $450 this year.

Sir HENRY DRAYTON: Will that pay for itself?

Mr. KING (Kootenay): Yes. Usually saw milling territory is good territory.

Item agreed to.

Telephone line from Williams lake to Alkali, $2,525.

Sir HENRY DRAYTON: What is this?

Mr. KING (Kootenay): This amount is required for the construction of a telephone line southward to Alkali lake, a distance of forty-five miles. This is in the Cariboo section. It is a very good section, being settled largely with farmers, and the line has been requested for some time.

Sir HENRY DRAYTON: What is the estimated revenue?

Mr. KING (Kootenay): $1,000 per annum.

Sir HENRY DRAYTON: What is the estimated expense?

Mr. KING (Kootenay): It will vary. In the first year or two it will not be very great. As the line gets older, it will be more.

Sir HENRY DRAYTON: Salaries will have to be paid. What is the estimated cost of operating the new line?

Mr. KING (Kootenay): The cost of maintenance and operation will be practically nil as the operator-lineman at Williams Lake can attend to any repairs and the line will be operated by agents on commission, subscribers paying the established monthly rental of $2.50. We estimate the probable revenue at $1,000 per annum.

Item agreed to.

Construction of a telegraph line from Horse Fly to Bullion via Beaver creek, $2,780.

Sir HENRY DRAYTON: This is another new line?

Mr. KING (Kootenay): It replaces an old line which is very much dilapidated and it will give a better service to the community.

Sir HENRY DRAYTON: What was the experience in the old line—loss or profit?

Mr. KING (Kootenay): It leads into a gold mining section in the Bullion creek country near Quesnel lake. There was a good deal of activity in there a year ago and there have been some rich placer gold strikes. The estimated revenue is about $2,000 per annum.

Item agreed to.

Mainland telegraph and telephone line—general repairs and improvements, $18,000.

Mr. McQUARRIE: What lines are covered by this item?

Mr. KING (Kootenay): This is required for general repairs and improvements to the mainland telegraph and telephone lines as follows: Barriere section, Chase-Revelstoke section, Kamloops section, Vernon section, Keremeos section, Penticton section, Merritt section, Proctor-Yank section, Golden-Windermere section and Arrow lake section.

Mr. McQUARRIE: Are the lines in the Okanagan and Arrow lake country being operated by the government at present or have they been taken over by the Canadian National?

Mr. KING (Kootenay): We are continuing to operate the telephone lines. The Canadian National utilize our wires for sending and receiving. I think they have an office at Kamloops in conjunction with our telephone office, also one at Kelowna, and one at Vernon.

Mr. McQUARRIE: Does the government propose to continue operating these lines or to turn them over to the Canadian National?

Mr. KING (Kootenay): We have not had an offer to take them over; I do not suppose that the Canadian National Railways would be very anxious to take them over.

Mr. McQUARRIE: Is the minister aware that these lines are competing with lines which are privately owned in these districts? I remember at one time a proposal was under consideration for turning over to the Okanagan Telephone Company the government lines in that district. Has the minister had that suggestion under consideration?

Mr. KING (Kootenay): There is no doubt a duplication of service in the district. The government service is the original one; the Okanagan company came in later and duplicated. It has been the desire of the department to give the necessary service to the district tributary to the government railways and we have a working arrangement with the Okanagan Telephone Company which I think is giving more satisfaction than heretofore. The capital investment of the government in this locality is one of the largest we have in the telephone service in the valley; in fact it is so large that the government would not be warranted in pulling out and losing the whole of that investment.

Mr. McBRIDE: I know a little about this district and I can inform the committee that the people there would very much resent even a suggestion from the government of giving the service over to a private corporation. The government has provided a good service to the people and the people appreciate it and want the government to continue as owners of these lines.

Mr. McQUARRIE: Are these lines paying or are they being operated at a loss?

Mr. KING (Kootenay): They are not showing a surplus but they are earning a very good revenue. We shall come to that question in connection with other items.

Mr. McQUARRIE: I would not think of suggesting that the lines should be given over to any private company, but as I understand it the government lines were built on the principle that they would be operated by the government only where there were no other companies who were prepared to carry on

business. The government service was intended to give communication to people who otherwise would have been unprovided for; but where there are other companies who are willing and able to provide a good service and to take care of the business the policy, according to my understanding, was that the government would withdraw from the territory. The question is whether in this particular district there is a company doing business to-day which would be able to meet the requirements of the people in a satisfactory manner? If there is, and if that company were willing to take over the government lines, then it would seem to me that a saving would be effected to the country. I wonder whether that matter has been under consideration and whether there is any prospect of an arrangement being made.

Mr. McBRIDE: Does the hon. member for New Westminster suggest that as soon as the government gets its lines on a paying basis it should hand them over to a private company? That is what the hon. gentleman's suggestion amounts to in practice.

Mr. McQUARRIE: I understand that they are not on a paying basis at all and I do not suppose they ever will be. I think I have enunciated the policy which was in effect at the time the lines were constructed and if I have not stated it correctly the minister will possibly set me right.

Mr. NEILL: I am not familiar with the lines on the main line immediately under discussion but I am familiar with those portions mentioned on Vancouver island district which extend beyond Vancouver island on to the mainland. I certainly endorse the remarks made by my hon. friend (Mr. McBride), and I hope, as the people do, that the government will not turn any portion of these lines over to private concerns. As the hon. member has truly said, it would be a case of turning over the profitable portions of the lines, because no private company would take them if they were not profitable. The result would be that the government would be saddled with the unprofitable lines. The same remark applies to the suggestion that any of these lines should be handed over to the Canadian National Railways, for the railways would also take nothing but those lines that were making a profit. If this were done there would be a bigger deficit every year and there would consequently be a disposition on the part of parliament to curtail the services given by the government lines. The government's function is different from that of a private company or of the railways; the government renders service to isolated places where doctors are required and where there exists no other means of communication. Logging camps are growing up in these places and it is becoming more and more necessary that the government should be a sort of pioneer in this respect. But we cannot expect the government to pile up expenses in connection with the non-paying lines if those that are profitable are to be taken away from them and handed over to private interests. This would induce a lack of enthusiasm on the part of the officials whose business it is to manage the government lines, and altogether a policy of this kind would be very disheartening to them.

10 p.m.

While I am on my feet I want to refer to the item in regard to Vancouver island district; I notice that the amount is increased by $3,000. I do not know whether this is intended to provide a new boat at Alert bay which is very much needed, but in any case it is a wise measure to increase the vote. Telegraph services cannot be starved profitably; my hon. friends from the prairies will appreciate the unwisdom of trying to starve a dairy cow, for it is absolutely unprofitable to feed her at all unless she is fed right. On the same principle, a telegraph service conducted on the cheap is a failure either from the point of view of efficient service or as a source of profit.

There are just two other things I want to mention. One is to put in a protest against the government's not including an item in the estimates to furnish a telegraph connection with Lasqueti island. This is no political proposition, I assure my hon. friend from New Westminster (Mr. McQuarrie), because his own party when in power many years ago put in a vote for a large sum to provide this service. Owing to the war, however, it was delayed and the high cost of labour and everything else at that time made it impossible for the government to proceed with the work. It could now be done for a very much smaller sum. I understand that a petition was presented to the government from the people in connection with this matter, and their own officers have recommended that the work be done. This is the only communication with an island of 300 people, and the population has increased since the time the Conservative government included a vote in the estimates to meet the situation. Logging camps are increasing at this point and in many ways it is urgent that communication be provided. It is the only island of any size in the gulf of

Georgia between Vancouver island and the mainland that has not telegraph or telephone communication. The work can be done cheaper now than it will be in a few years hence, and I hope the government will see their way to bring down a necessary sum to take care of it in the supplementary estimates.

There is one thing else I want to mention in connection with the British Columbia service. There appears to be a provincial system —the Dominion government British Columbia telegraph system—in operation; and if you go into our Dominion government telegraph office in Vancouver or Victoria or any of the cities in the province you can have a telegram sent to Victoria or Vancouver, but if you wish to have it sent to Ottawa or Montreal they will tell you to take it to the Western Union, which is a private concern. It offends at least my national pride to be told to take my telegrams over to a private company when we have in the province a complete telegraph system, and beyond the province we have the Canadian National, which could be utilized. It does not look well, and it is a loss of business. I presume that any private corporations engaged in this work are not in it for nothing; they have to get some portion of the rates on those telegrams. I think we should arrange that in respect to messages for destinations outside the province, connections should be made with the Canadian National.

Mr. KING (Kootenay): I am surprised to hear my hon. friend's last statement. My understanding is that we take the business wherever possible and transfer it to the nearest point from which it may be transmitted to its destination. There may be some exceptions; if so I shall be very glad to have my hon. friend report them so that we may make inquiries. With regard to the Dominion abandoning a territory when it has been developed and becomes profitable enough for a private company to go in, that is a pretty large question. I do not believe it is economical or really in the interests of the public that there should be a dual service, but where the government have gone into a community and the business has increased to a point where it becomes of some substance, to say that we must retire from that field and continue to operate the barren fields is, I think, unfair. It is true that in the section adjoining the Okanagan country there is a very fine telephone area and a company operating there would do very well.

Sir HENRY DRAYTON: The hon. member (Mr. Neill) deprecates the suggestion that the government should give over the paying systems and retain the lean ones; of course that would be a doubtful policy to follow. But have we any paying systems, and if so, where are they and what are the returns?

Mr. KING (Kootenay): In connection with the Kamloops, Okanagan and Kootenay districts, embracing a mileage of 1,886 miles, the revenue for 1922-23 was $69,306 and the expenditure $91,342. That is one of the better areas.

Sir HENRY DRAYTON: Have you got anything as good as that?

Mr. KING (Kootenay): I think that is one of the best.

Sir HENRY DRAYTON: Does that cover overheads at all?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: So that in respect to a system which the minister states is as good as any of them, in order to do a business amounting to $69,306 we are out of pocket $22,036. Why are we out of pocket so much as that if a private company can go in and operate in the same districts? They do not operate for the pleasure of losing money.

Mr. KING (Kootenay): The area in which the private telephone company in question operates is not operated by us as a division. We operate in the Kamloops, Okanagan and Kootenay district involving the mileage which I have stated.

Sir HENRY DRAYTON: Well, there are some things here about extensions, and if we are losing money too quickly on these lines perhaps we would not go ahead with these extensions. In view of these figures my hon. friend can hardly say he expects a good revenue on these other lines.

Mr. MARTELL: Is it not a fact that most of these lines are built through sparsely settled districts, in many cases through areas that are a long way from towns and cities where private enterprise would not go in, and that they are built more as a public convenience than as a paying proposition? For instance, no one would say that the telegraph lines maintained by the Dominion government along the north shore of Victoria county, down near Ingonish and Neil harbour would ever pay. These people are practically isolated in the winter and this is the

only way in which they can get any outside intelligence or communicate with the outside world. I quite agree—and I think was my hon. friend's inference—that where private companies are prepared to go in and build lines the government should not interfere.

Sir HENRY DRAYTON: What I was trying to get at was if we had any paying lines. Somebody suggested that we had, but I had never heard of them.

Mr. KING (Kootenay): I do not think there are any paying lines. There may be some sections where the revenue would take care of overhead expenses, but the idea for the most part has been to give service to people living in districts which private companies will not enter.

Sir HENRY DRAYTON: That is why we say let the western governments have these territories for telephones and the like. We would be only too glad to have them take hold of them and let any private corporation that is foolish enough to do it provide the service. We would also be glad to get out of the loss.

Mr. CLARK: So far as I can gather, all these lines are operated at a loss. At least one private company has been mentioned, and I ask the minister whether there are any other companies operating in the district in question, and if so, for their names and the districts in which they operate.

Mr. KING (Kootenay): We come in contact with the British Columbia Telephone Company, the Okanagan Telephone Company, the Kootenay Telephone Company, and the Prince George Telephone Company in the north. I have no doubt there are other local telephone companies in the province, but I think I have covered the more important of them.

Mr. CLARK: Then if all government lines are operated at a loss, I would ask the minister if there have ever been any negotiations with private companies with a view to having the government lines purchased and operated by the private companies where the two services are contiguous?

Mr. KING (Kootenay): There have been suggestions that they would like to have the territory and take over the lines.

Mr. CLARK: Any results?

Mr. KING (Kootenay): Not as yet.

Item agreed to.

Extension of telephone line from Invermire to McCarthy's ranch, $1,800.

Sir HENRY DRAYTON: Is this just for McCarthy.

Mr. KING (Kootenay): No. This is an extension of the Invermere branch into a farming community.

Item agreed to.

Yukon Telegraph System—Stewart-Maple Bay section—to replace launch, $1,300.

Sir HENRY DRAYTON: What has happened to the launch?

Mr. KING (Kootenay): This amount of $1,300 is required for the purchase of a launch for repair work on the Stewart-Maple Bay section of the Terrace-Stewart telegraph line. The old launch, which has been in use on the Maple Bay-Stewart section, in making line repairs, was recently wrecked and sunk while endeavouring to make a landing along a very rough shoreline during a heavy storm.

Mr. NEILL: Is that the boat I was alluding to at Alert Bay?

Mr. KING (Kootenay): At Maple Bay, in Stewart lake, in northern British Columbia.

Mr. NEILL: Is there no provision for the boat stationed at Alert Bay?

Mr. KING (Kootenay): I have nothing for a new boat at that point.

Mr. NEILL: I think it was recommended to be put in the estimates; I know it was.

Mr. KING (Kootenay): It may be coming up later. It is not in the Main Estimates.

Mr. NEILL: Then I want to warn the Government that the responsibility will be theirs if those men lose their lives, because that boat there is utterly unsafe for men to risk their lives in. They can run for a day if the weather is all right and the water is smooth, but the water there sometimes gets rough very rapidly, and many a time after having gone for only a few hours, they have had to beach the boat and caulk it. The hull is so rotten that the friction of the water and the waves grinds the caulking out, and in some cases after only two hours running they have been compelled to beach her. Suppose they were where they could not beach her at the end of the two hours? Some time that boat will literally and absolutely fall apart. This has already been fully represented to the government, and for my part I am not prepared to take any responsibility beyond that. I have given the exact facts of the case. If those men are compelled to

go out in this boat in its rotten condition—you may say they are not compelled, but they are compelled to if they want to get a living—one of these days there will be a catastrophe.

Mr. KING (Kootenay): I am glad the hon. member has mentioned it. I will have the matter inquired into.

Mr. MARTELL: Perhaps it is not strictly in order on this vote, Mr. Chairman, but as the hon. member for Comox-Alberni has spoken about a boat I would like to call the attention of the minister to the Tyrian, a cable boat operating in the Maritime provinces. I am not particularly concerned with the boat itself, although it is a very old boat, and a very great deal of money has been spent on her, but I would like to ask the minister if there is any provision for superannuation and retiring allowances for the men who are operating on the Tyrian and other cable boats. It seems to me most peculiar that the Marine and Fisheries should retire masters from the lighthouse tenders and from their other boats, under the Calder Act and other retiring acts, while the crew of the Tyrian receive no consideration in that respect. That is what I understand from Captain Peters, who happens to be a personal friend of mine, although not a political friend, I think; at all events, he has not a vote in my constituency. He is a first-class seaman and a friend of mine, though a much older man than I am. He was a personal friend of my father's, and I have known him since I was a boy. Speaking with him last summer he drew to my attention the fact that while the Marine and Fisheries department retire their men on other boats under the Calder Act and other regulations providing for an allowance, the officers and crew of the Tyrian, which is a very much larger boat than many of the boats owned by the Marine and Fisheries department, are thrown to the four winds of heaven, so to speak, when they are too old to go to sea. These men who are repairing the government cables or any other cables have a very important duty to perform. They have to go around the roughest portion of the shores of the country where these cables are laid by the federal government, around the northern shores of Cape Breton, for instance, the island of Grand Manan, the northern portions of New Brunswick, and around the shores of Prince Edward Island, and any person who has ever gone to sea knows that these men have to brave great dangers in order to carry on their work. It has often seemed to me that the officials of the department at Ottawa particularly in regard to marine matters and the hardships that are endured by the sailors working for the department, are absolute landlubbers and absolutely incompetent to rightly apprehend the dangers these men have to undergo. I am absolutely in accord with the hon. member for Comox-Alberni when he calls to the attention of the minister the condition of the boat he mentioned in British Columbia. I do not know anything in particular about that boat, but I know this, that the officials at Ottawa are too prone to ask these sailors, who are some of the best people in the Dominion of Canada, to endure great risks simply because landlubbers are not prepared to give them the proper equipment they need to carry on their work. I happened to be an official of the Marine and Fisheries department in days gone by, and I found in that department an absolute ignorance, with the exception of two or three of the officials, as to the conditions under which our sailors and fishermen have to work. I believe that the time has come when everything pertaining to the sea should be dealt with by men who are thoroughly qualified and who know and can appreciate what these men have to undergo.

Mr. MILLAR: Hear, hear.

Mr. MARTELL: My hon. friend says "hear, hear". I wonder if he means that sarcastically. I want to tell him that the men who navigate ships and whose forefathers navigated ships on the seven seas, and who could navigate any ship, from the ordinary schooner to a full-rigged ship, in every quarter of the globe, and carried the flag of Canada to the ends of the earth, and built up a maritime trade for this country, are men of superior intelligence and courage to the man who grows a few grains of wheat on the western prairie, and I say in all seriousness that the time has come in this country when we should get down to practical facts and not be so much concerned whether we grow wheat and provide proper transportation facilities and have the Crowsnest pass agreement. We want something done for the men of the Maritimes, and when I use that term I mean the three provinces on the Atlantic coast. We also want something done for the sailors on the Pacific coast, because all these men are made of as good stock as the individuals who are engaged in any other walk of life.

The CHAIRMAN (Mr. Marcil, Bonaventure): Shall the item pass?

Mr. MARTELL: Before the item passes I should like to get an answer from the

minister as to whether the officers and men of the Tyrian are to get superannuation allowances?

Mr. KING (Kootenay): I see no reason why these men cannot be retired if they ask for retirement under the Calder Act when they are permanently employed. In the case of men employed on the dredging fleet their occupation is seasonal, and I am not sure that they would come under the same act.

Mr. MARTELL: I ask the minister—for whom I have the greatest respect, he is one of the fairest members of the government—does he see any reason why the officers and men on the boats of the Marine and Fisheries department should be treated any differently from the men in his own department?

Mr. KING (Kootenay): They should be treated as well.

Item agreed to.

Accounts branch—salaries of agents and clerks travelling and contingent expenses of outside service, $21,000.

Sir HENRY DRAYTON: What does this mean?

Mr. KING (Kootenay): This vote is required to pay for the salaries of the agents, paymasters and clerks of the accounts branch, outside service, and for travelling and contingent expenses.

Sir HENRY DRAYTON: How many employees are there altogether?

Mr. KING (Kootenay): There are six at New Westminster, three at Edmonton and one at St. John.

Sir HENRY DRAYTON: What are the salaries?

Mr. KING (Kootenay): The salaries vary from $2,940 to $800.

Sir HENRY DRAYTON: What are the duties?

Mr. KING (Kootenay): Here are the positions: Accountant grade 3; principal clerk bookkeeper; senior clerk bookkeeper; clerk bookkeeper; clerk stenographer; junior clerk bookkeeper; agent; accountant, grade 1; clerk typist; and travelling paymaster.

Sir HENRY DRAYTON: I suppose the whole of this is outside of Ottawa?

Mr. KING (Kootenay): Yes. There is a small expenditure for stationery and contingencies.

Sir HENRY DRAYTON: Does the minister happen to have the total of the whole thing?

Mr. KING (Kootenay): You mean the total salaries?

Sir HENRY DRAYTON: I mean the cost of the salaries in connection with the service.

Mr. KING (Kootenay): My hon. friend is asking for the total for the Dominion Public Works service?

Sir HENRY DRAYTON: Yes.

Mr. KING (Kootenay): Here is a list of the services: Civil government; Dominion observatory, Ottawa; Ottawa elevator attendants; Ottawa heating staff; Ottawa char service; Ottawa repairs, improvements, etc.; Rideau Hall; Dominion buildings—caretakers, engineers, firemen, etc.; Yukon public buildings; Architectural branch, employees; Engineering branch; Accountants branch; Art gallery, Ottawa; Telegraph service; Locks, dams, drydocks and bridges. The total expenditure for salaries is $3,752,311. The appropriation amounts to $4,810,890.

Sir HENRY DRAYTON: The cost this year cannot be exactly the same as last year; that cannot be right.

Mr. KING (Kootenay): It is practically the same. If my hon. friend would have patience the next item shows where there have been some reductions and some additions. In the matter of salaries there are the statutory increases, but there have been some reductions.

Sir HENRY DRAYTON: Suppose we pass this item and go on to the next.

Item agreed to.

Architectural branch—salaries of architects, clerks of works, inspectors, draftsmen, clerks and messengers of outside service, $77,000.

Sir HENRY DRAYTON: At what point do you maintain outside architects?

Mr. KING (Kootenay): We have a resident architect at St. John; at Quebec a clerk of works; at Montreal a clerk of works; Toronto a resident architect; Winnipeg a district resident architect; Regina, Calgary, Victoria, district resident architects and at Vancouver a clerk of works.

Sir HENRY DRAYTON: There are a number of outside architects?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: What building has the architect at St. John erected this year?

Mr. KING (Kootenay): I think he has had charge of the building at Halifax, and the repairs to the various public buildings throughout the Maritime provinces.

Sir HENRY DRAYTON: I was just wondering if he had put up any new buildings?

Mr. KING (Kootenay): There was one put up I think at Sackville.

Mr. CALDWELL: And there was an addition to the potato warehouse at St. John.

Mr. KING (Kootenay): Yes, I think that was carried on largely under the engineering department.

Sir HENRY DRAYTON: What is his salary?

Mr. KING (Kootenay): It is $2,640.

Sir HENRY DRAYTON: Then we have an architect at Regina? What work did he do?

Mr. KING (Kootenay): He has the maintenance of the buildings in the province of Saskatchewan.

Sir HENRY DRAYTON: I suppose really these architects are looking after maintenance?

Mr. KING (Kootenay): Maintenance largely.

Mr. WOODSWORTH: Is there an architect under this item located here in Ottawa?

Mr. KING (Kootenay): That would be under civil government.

Mr. WOODSWORTH: That does not come under this?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: While we are on this matter, how many architects have we altogether?

Mr. KING (Kootenay): I am not sure that I can give that information. The list that I have given includes those outside of Ottawa. The inside service would be under civil government. I suppose if we took civil government we might get the details there.

Sir HENRY DRAYTON: My hon. friend will see the importance of the whole matter. How much did my hon. friend spend in his department last year on capital account?

Mr. KING (Kootenay): Total expenditure?

Sir HENRY DRAYTON: Construction account.

Mr. KING (Kootenay): Capital expenditure about $3,000,000, and total expenditure $16,000,000.

Sir HENRY DRAYTON: That is all work I assume, and does not include salaries.

Mr. KING (Kootenay): That includes salaries.

Sir HENRY DRAYTON: It is worse even than that. You would have to deduct $3,700,000 odd from that total in order to get to the working expense. What would that amount to?

Mr. KING (Kootenay): I do not know what the hon. gentleman is trying to get. If he will make his statement perhaps we will be able to give the information.

Sir HENRY DRAYTON: The minister gave us the amount of capital expenditure as $3,000,000 and the total expenditure $16,000,000, and I asked if that included salaries amounting to $3,752,211. I was told that it did. Then I asked, "Without that what would it amount to?"

Mr. KING: (Kootenay): It is a question of subtraction. You have the figures.

Sir HENRY DRAYTON: I have asked the minister, Mr. Chairman, to give me accurately his first item of $3,000,000 odd. I thought with the deputy in front of him that he would know, but he does not. Apparently the minister cannot give me the figures.

Mr. KING (Kootenay): My hon. friend is covering a large field in his question. The amounts are:

Public works, capital, buildings	$ 440,000
Public works, capital, harbours, etc.	2,563,000
Public works, income	11,480,000
Public works, collection of revenue	1,045,000
Sundry votes not public works	372,000

To the above my hon. friend will add, an account of 1923-24, the following payments made in April and May, 1923, under authority of order in council 29th March, 1923, which established certain credits not to exceed the balances remaining unexpended March 31, of the votes of the preceding year. These payments were as follows:

Public works, capital, buildings	$145,755
Public works, capital, harbours	2,227
Public works income	61,160
Collection of revenue	5,647

I think my hon. friend has a number of items now that will total up properly.

Mr. MARTELL: Would the minister kindly tell us if he has increased the staff in any way during the last three or four years?

Mr. KING (Kootenay): No.

Mr. MARTELL: The same old staff?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: As I heard the figures, I make the total expenditure of the department according to these figures $13,549,562, and the minister has already given me the cost of carrying on the service as $4,800,000, salaries alone amounting to $3,752,311. That is a pretty big percentage in connection with $13,000,000 odd worth of work, when we are not employing labourers. In the vast majority of cases we have only the officials. What is the minister's own idea of economy? Where does he think he can do something useful in cutting down that expenditure? All he has to do is to figure the percentages and he will see what a heavy charge it is.

Mr. KING (Kootenay): What is my hon. friend figuring in the operating charge?

Sir HENRY DRAYTON: Only what the minister has given me.

Mr. KING (Kootenay): I have covered only a small portion.

Sir HENRY DRAYTON: Well, I have put the figures down as best I could hear them.

Mr. KING (Kootenay): The hon. member has not all the votes. If we are considering the larger vote of $465,000, those are operating charges including the salaries of engineers, inspectors, superintendents, draughtsmen, clerks, messengers and various services. I imagine my hon. friend is trying to arrive at the percentages of the different costs. That can be worked out. There are the engineering costs, the architectural costs which can be worked out, but there is a large force of charmen, charwomen, elevator men, and so on. Those are fair charges for the service that is being given and they should not be in this charge as my hon. friend is trying to work it out now. I would be glad to have the percentages worked out and to advise my hon. friend as to the result. Of course, the staff such as we have is more or less fixed, and when you reduce your main vote, your percentage of operation will run up. The expenditure last year was well within the range of the smaller votes that were made and expended during the war. It is true that we have not been carrying on very actively any construction programme, but still the staff continues pretty much as it has been. We have made some reductions. The staff now in the department is about 15 per cent below pre-war figures, but that we can discuss when we come to the civil government vote.

Sir HENRY DRAYTON: Supposing we postpone the whole discussion until that vote and my hon. friend can have the percentages worked out.

Mr. KING (Kootenay): Certainly. The hon. member is setting a pretty difficult task when he asks one to work these out at his desk.

Sir HENRY DRAYTON The question was provoked by the question of the hon. member for Centre Winnipeg (Mr. Woodsworth) who, naturally, knowing that there were three outside architects, wanted information as to the architects at Ottawa. After all, we should know the total number of technical officers in the branch, it does not matter where they are. Sooner or later we shall have to get it into our heads that we must cut these estimates down and the best way to do that is to get the facts.

Mr. WOODSWORTH: How is the Architectural branch distinguished from the Engineering branch? What relation does the one bear to the other?

Mr. KING (Kootenay): In the Architectural branch there is the chief architect who has his branch centred at Ottawa. There is very little outside service except at some three or four points which I have mentioned, and at the outside points there are only maintenance architects. At Ottawa, all the drafts and plans are prepared for new buildings, extensions and repairs. In the Engineering branch the service is more scattered. In the districts there are the district engineer, the assistant district engineer. There are sixteen engineering districts throughout the Dominion.

Mr. WOODSWORTH: Is it possible to have a reorganization so that there would not be overlapping and so that certain officials could be cut out?

Mr. KING (Kootenay): I have given some thought to that. The ordinary public works engineer is not considered to be an architectural man. I admit some men who have had good all-round experience could undertake maintenance of buildings; but generally

speaking, the two branches are separate, and it has been the policy, which you will find generally in the service, to keep the engineering branch and the architectural branch as two separate branches. They claim that has been satisfactory. I do not think there is very much overlapping in the service.

Mr. WOODSWORTH: I have been making some inquiries and one can look at the public accounts. When one examines the question from the outside, it would seem as if there was a good deal of going backward and forward between the different departments, reporting from one to another, and a reorganization would seem to be possible.

Mr. KING (Kootenay): It is not very long ago since there was a reorganization in the department. The engineering districts were reduced from 31 to sixteen, and the officers in the department say that they have a pretty efficient organization to-day and probably not overloaded. There have been suggestions such as my hon. friend has named, that some of the work being done by the architects might be handed over to the Engineering branch. I have given a good deal of thought to that, but I have not been able to get the technical men to agree with me so far.

Item agreed to.

Engineering branch—salaries of engineers, inspectors, superintendents, draughtsmen, clerks and messengers of outside service, $465,000.

Sir HENRY DRAYTON: This is a pretty big item for outside service.

Mr. KING (Kootenay): There are 198 employees in the service. The appropriation in 1923-24 was $465,000 and the expenditure was $461,245. This appropriation is the same as last year.

Sir HENRY DRAYTON: How many engineers are there? How many of all these different classes?

Mr. KING (Kootenay): In Nova Scotia in the engineering staff there are sixteen positions: District engineer, senior and assistant draughtsman, engineer clerks, and clerk stenographers. In Prince Edward Island there are four. In New Brunswick there are ten. In the dredging department staff resident at St. John there are seven and we have a staff of eight at St. John harbour who have been carrying on the harbour work outside of the usual engineering staff. At Rimouski there are nine.

Mr. THURSTON: Are these regular employees?

Mr. KING (Kootenay): Yes. At Quebec there are four. In the district engineer's staff at Quebec for the surrounding district there are eleven. There are four at Three Rivers and fourteen at Montreal. In the dredging division, Montreal supervision, for Ontario and Quebec, there are two. Then there is the staff at Ottawa for the surrounding district, what is known as the Ottawa district, the district engineer being resident in this city. There are thirteen on that staff. In Toronto there are two supervising engineers and staff, and in connection with Toronto harbour improvements there are two; and in the district engineer's office in Toronto there are eleven. In the district engineer's office in London there are twelve; at Sault Ste. Marie four; at Fort William seven.

Sir HENRY DRAYTON: Are they all engineers?

Mr. KING (Kootenay): No, engineers and staff; the list comprises engineers, assistant engineers, senior assistant engineers, junior engineers, draftsmen, clerk stenographers and stenographers. These make up the complement of the offices of the various districts.

Sir HENRY DRAYTON: How many offices are there?

Mr. KING (Kootenay): I gave the total number not long ago.

Sir HENRY DRAYTON: You mentioned St. John, Quebec, Montreal and some other places.

Mr. KING (Kootenay): There are 16 engineering districts and 198 employees.

Sir HENRY DRAYTON: Where are these districts?

Mr. KING (Kootenay): I was giving the list of them and we had arrived as far west as Fort William. For Manitoba, Saskatchewan and Alberta, the district office is in Winnipeg; the others are New Westminster, Nelson, Victoria and Vancouver.

Sir HENRY DRAYTON: Is all the dredging now done by the Department of Public Works?

Mr. KING (Kootenay): No, the Marine department do the dredging of the ship channel in the St. Lawrence and the Railway department do the canals that come under their jurisdiction.

Sir HENRY DRAYTON: How do you know whether a man is a dredger of the Public Works department, or whether he is a Marine dredger or a Railway dredger?

Mr. KING (Kootenay): There is not much difficulty in distinguishing them.

Sir HENRY DRAYTON: You do not distinguish them by colour?

Mr. KING (Kootenay): I think not.

Sir HENRY DRAYTON: Nor by numbers? How do you determine who is who and which is what?

Mr. KING (Kootenay): I do not think there is much difficulty about the matter; the men know under what departments they are employed. They are known to their chiefs and they get on the pay roll.

Sir HENRY DRAYTON: They get on one pay roll all right, but I was wondering whether they might not possibly get on two. Will the minister define just where the jurisdiction in navigable waters of the Public Works department comes in and that of the Marine and Fisheries department ends?

Mr. KING (Kootenay): The distinction is fairly well defined. The Marine department do the dredging of the ship channel in the St. Lawrence from Montreal to Quebec and the Railway department do the canals that come under their control, as well as around the railway wharves.

Sir HENRY DRAYTON: Which canals?

Mr. KING (Kootenay): The canals under their control.

Sir HENRY DRAYTON: Which are they?

Mr. KING (Kootenay): Practically all of them. I may tell my hon. friend that there has been no change of policy in this regard.

Sir HENRY DRAYTON: That may be so, but should there not be a change? Why should not all the dredging services be confined under one head? Here we have dredging done in the ship channel from Montreal to Quebec. I believe there are four engineers engaged upon this work, if what the minister has stated is correct. There are four engineers doing that work, located at Three Rivers under the Department of Public Works. I suppose there comes a time when the men under the Public Works department run up the same line as those of the Marine department; certainly Three Rivers is along the line of the ship channel between Quebec and Montreal. Yet we have four engineers who apparently are in charge of dredging operations in that vicinity.

Mr. KING (Kootenay): They are not doing dredging work alone; they are engaged in construction work in the surrounding vicinity. There is an engineering district with headquarters at Three Rivers.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: How many engineers are there?

Mr. KING (Kootenay): There is a staff of four comprising the engineer, the assistant engineer, the clerk and the stenographer. They are not all engineers.

Sir HENRY DRAYTON: What dredging plant is there at Three Rivers under the Public Works department?

Mr. KING (Kootenay): There is none.

Sir HENRY DRAYTON: Where is the dredging done on the St. Lawrence by the department?

Mr. KING (Kootenay): The dredge is moved from one part of the river to another as required.

Sir HENRY DRAYTON: I think that most of it will be found to be within the points between Montreal and Quebec.

Mr. KING (Kootenay): They go as far as Saguenay.

Sir HENRY DRAYTON: I did not say they did not. But will the minister say that they do not work between Quebec and Montreal?

Mr. KING (Kootenay): Yes, certainly.

Sir HENRY DRAYTON: Of course; the great volume of it is done there. And is not that one place where we could have a little bit of co-operation—that word which we hear so often in this House? Could there not be one department in charge of dredging operations instead of having the work scattered under three? I have no doubt each minister would think it was laying hands on his department to take any of his work away from him; and what he would say would be nothing to what the deputy would have to say. But that is no reason why operations should not be concentrated under one department.

Mr. KING (Kootenay): My hon. friend is not offering a new suggestion. Some years ago all this work was done under
11 p.m. the Public Works department. But owing to the importance of the St. Lawrence ship channel it was thought advisable by the government of a former day that the dredging in this case should come under the Marine department, which has been charged with the development of the channel. The development of the ship channel does not involve the removing of debris from wharves and terminals along the river and that work has

remained under the control of the Public Works department. For many years the Railway department has had the responsibility of looking after the canals which at one time were under the Department of Public Works. My hon. friend's government was in office many years and this question was as alive then as it is now. The whole question has been considered, but there are difficulties in the way; indeed, it is being considered now whether there would not be some advantage to the service in transferring certain activities from one department to the other. The question is not a new one and it has been receiving the attention of the government; but so far no change has been made.

Sir HENRY DRAYTON: We shall never make any progress in the matter if someone does not take the initiative. Now, I have already asked for information regarding the amount of dredging done so that we may get some idea as to what it costs, and I shall try to get the same information in connection with the other departments with a view to seeing which is the most economical or the most extravagant of the three.

Mr. KING (Kootenay): My hon. friend will have to make allowance for the character and the class of work.

Sir HENRY DRAYTON: Oh, I know that there are a lot of circumstances that have to be considered. But seriously, we shall never get anywhere in effecting real economies unless we do something definite. How far has the minister got in his consideration of the question? Has he worked out even a tentative plan as to how we might secure a reorganization and consolidation for the purpose of unifying the services and effecting an economy? Are there any reports available?

Mr. KING (Kootenay): The matter has been receiving consideration but has not come to a conclusion. There has been no report to parliament as yet.

Sir HENRY DRAYTON: We know that. If we had the information we would not trouble the minister for it now. Governments generally act upon reports. Has the interest of this government in economy gone far enough to cause them to have any report made to them, and if so by whom was it made?

Mr. KING (Kootenay): No, there are no departmental reports. The matter is under consideration.

Item agreed to.

Maintenance and operation of water storage dams on Ottawa river and tributaries, surveys in connection therewith and settlement of land damages, $40,000.

Sir HENRY DRAYTON: I would draw the Prime Minister's attention to the fact that this is Friday night and that he has just yawned very badly.

Mr. MACKENZIE KING: Oh no, he has not yawned.

Sir HENRY DRAYTON: Knowing his tender regard for his constitution I suppose he would suggest that the House adjourn now.

Mr. MACKENZIE KING: I think there is a general desire on the part of the House to hasten toward the conclusion of the session, and this is a pretty good moment to get through with the estimates.

Sir HENRY DRAYTON: My right hon. friend knows that there is a way to hasten toward the conclusion of the session.

Mr. MACKENZIE KING: What is it?

Sir HENRY DRAYTON: To bring down the supplementaries so that we may know where we stand.

Mr. MACKENZIE KING: They will be down before long.

Sir HENRY DRAYTON: It is idle to talk of hastening toward the close of the session when the government has not yet had diligence enough to table the supplementaries. But I am not going to quarrel about his wanting to go on now. In reference to this item, how does the matter stand?

Mr. KING (Kootenay): This amount is required for the maintenance and operation of dams and sluiceways in the Ottawa river and tributaries. The object of these dams is to store spring floods and augment the low water flow. The amount covers the maintenance and operation of the Timiskaming dam; maintenance and operation of Quinze dam; for stone fill, repairs to apron, and so forth, to offset erosion at Timiskaming dam; to pay land damage and other claims in connection with Ottawa river improvements.

Sir HENRY DRAYTON: When was this work started?

Mr. KING (Kootenay): The Timiskaming dam was built in 1909-12 and the Quinze dam in 1911-14.

Sir HENRY DRAYTON: This is entirely maintenance and operation?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: Then how can it be a revote? If these be merely the ordinary annual charges against the work it cannot be a revote.

Mr. KING (Kootenay): The maintenance varies, as my hon. friend knows, from year to year. There is nothing unusual, I think, in the method of presenting the vote. The vote last year was $55,000 and we are asking a revote of a portion of that.

Sir HENRY DRAYTON: A maintenance charge is an annual charge. It is not a capital charge at all.

Mr. KING (Kootenay): It varies.

Sir HENRY DRAYTON: Of course it varies, just like salaries do, but I have never noticed a revote of salaries, and in the same way there ought to be no revote of maintenance. If this were described as a betterment my hon. friend would be right, but the bookkeeping of this government is getting worse and worse.

Mr. KING (Kootenay): There has been no change in the method of bookkeeping, and my hon. friend knows that very well.

Sir HENRY DRAYTON: No, I am inclined to think there is a great change.

Mr. KING (Kootenay): It is unfair to throw out that impression.

Sir HENRY DRAYTON: I have thrown it out and I am sticking to it. There have been very great changes in the matter of bookkeeping, the creating of surpluses and the like, and if my hon. friend wants to debate that I am quite prepared to debate it. As a matter of bookkeeping my hon. friend will get into difficulty if he keeps on mixing up maintenance with betterments. Perhaps the matter had better be taken up with the new Auditor General.

Item agreed to.

National Gallery of Canada, $75,000.

Sir HENRY DRAYTON: What is being done with that this year?

Mr. KING (Kootenay): The amount will be used for the purchase of pictures and paintings and carrying on the work of the gallery.

Mr. WOODSWORTH: Are any new picturse being purchased?

Mr. KING (Kootenay): From time to time, yes.

Mr. WOODSWORTH: I suggest that they do not purchase very many more in the near future but should rather spend the whole amount on one or two. There are some frightful daubs there now. I am not an art critic, but it seems to me that when we have an art gallery we ought to have some care as to the character of the pictures that are put there. There is one whole section devoted to war pictures which are rather appalling. I happened to be taking a European friend around with me not long ago, and one that struck me was entitled "The Bolshevik." I do not know whether it was so much a reflection on the Russian people as on our own intelligence to have a caricature of that kind there. I am not quite sure who is responsible for the selection of the pictures, but it seems to me a little greater care might be exercised.

Mr. KING (Kootenay): These war pictures were a gift to the National Gallery.

Mr. THURSTON: Who are the judges that select the pictures?

Mr. KING (Kootenay): The late Sir Edmund Walker was the chairman of the board of trustees. The trustees are Dr. Shepherd of Montreal, Dr. Richard, of Montreal, the late Mr. Soper of Ottawa, and Mr. McTavish of Toronto.

Mr. SPENCER: Who gave the war pictures that have been mentioned?

Mr. KING (Kootenay): Lord Beaverbrook.

Mr. BAXTER: Will this vote or any part of it be used to pay for expenditures already incurred?

Mr. KING (Kootenay): I think not.

Mr. BAXTER: After all, while I am in favour in a general way of the maintenance of the National Gallery, still it is obvious that very few Canadian citizens can get any benefit from it. Would it not be well, for this year, and perhaps for a year or two longer, when we are trying to tell the people that we are practising economy, whether we are or not, to set an example by cutting out expenditures the cutting out of which cannot hurt anybody in Canada, and would apparently set an example of some economy at all events? In other words, if a man's circumstances are pretty straitened, he does not buy pictures for the decoration of his house that year. Why should we not cut out this expenditure this year? We shall be just as far ahead in five or ten years from now so far as art is concerned. It cannot hurt anybody, and it is setting not a bad example.

Mr. KING (Kootenay): There has been a reduction in the estimate, but we did not think it wise to cut it out altogether. There is a staff to be maintained.

Mr. BAXTER: You must provide for them, of course. How much does that take?

Mr. KING (Kootenay): Then there is $40,000 for additions to the National Gallery. That may be expended or not, but there are opportunities to-day, I am informed, by the Art Commissioners, to pick up some very valuable paintings, and it was thought we should have a sum of money available so that if it came to the notice of the commissioners that certain works could be secured at a very reasonable price, they would be able to secure them for the National Gallery. I am not anxious that a large sum of money should be spent from this vote, but I do not think we should drop it entirely.

Mr. THURSTON: Part of this vote is for salaries?

Mr. KING (Kootenay): Yes.

Mr. BAXTER: Make a liberal estimate to cover the expenses of running the building, but cut out practically everything for new purchases this year.

Sir HENRY DRAYTON: That would reduce it to $35,000.

Mr. LEADER: How many pictures were purchased last year, and what was the cost?

Mr. MACKENZIE KING: I should just like to mention to my hon. friend from St. John (Mr. Baxter) a feature that possibly he has not considered. While it is true the National Gallery is located in this city, it is also true that the practice has been followed of distributing the pictures through the country, and many paintings here in our gallery are exhibited at different times of the year right out as far as British Columbia. They have been very much appreciated, particularly in many towns on the prairies, not at large exhibitions, but more usually at loan exhibitions. I think my hon. friend will feel that the cultivating of some appreciation of art in this country is deserving of government support. There is very little the government or the country can do to encourage art in Canada, and so many of our artists are drifting one by one to other countries. We are losing them as soon as they reach distinction, and in view of the small amount that is allowed by parliament for the purchase of paintings, considered from that aspect also, I think this vote is one that we ought to look upon favourably.

Mr. BAXTER: I quite appreciate what the right hon. the Prime Minister says, and I had overlooked the fact of pictures being sent abroad throughout the country. I do not really know if they ever reached my constituency; they may have been down there. I perhaps do not take very much interest in art. I can quite appreciate also the assistance to comparatively local artists, but I rather got the idea that the minister was under the impression that some bargains by foreign artists would be thrown on the market this year, and I would still like the Prime Minister to consider whether it is not worth while this year to cut down this thing pretty nearly to the bone.

Mr. KING (Kootenay): I think the commissioners understand it is the wish of the government they should economize as much as possible, and I think I can undertake to say they will exercise care in any purchases that are made, but I believe it would be a mistake to cut the estimate.

Mr. BAXTER: You would rather leave the estimate there and not spend it?

Mr. McQUARRIE: Following the remarks of the Prime Minister as to sending pictures from the National Gallery to exhibitions in distant parts of the country, I might say that the pictures which were sent out to British Columbia last year and in previous years were very much appreciated. They were shown at New Westminster, Vancouver, Victoria, and other places, usually at exhibitions, and they attracted a good deal of attention. I am thoroughly in accord with the remarks of the Prime Minister as to the necessity for doing something to encourage art in Canada. As far as I personally am concerned I would regret to see this particular item reduced at all. I believe there is a good deal in what has been said by the Prime Minister and by the Minister of Public Works, that opportunities may present themselves now which may not be repeated later on. It seems to me the National Gallery here in Ottawa is something we should all be proud of. No doubt at the present time there is room for improvement, but at the same time we have some very good pictures there. I have been brought in contact with some of those responsible for the selection of the pictures, and for the conduct of the gallery, and I must say that they are doing splendid work. Personally, I believe that in a new country like Canada we cannot do too much to encourage art. We must not always think of

material things. Surely there is something better in life than mere dollars and cents, and so far as I am concerned I would like to see this item increased.

Mr. SPEAKMAN: May I say that if that remarkable picture referred to by the hon. member for Centre Winnipeg as "The Bolshevik" is one of those presented to the National Gallery by Lord Beaverbrook, I am not very much surprised that he presented it. Speaking of the appreciation of art, I studied that picture with some care and a good deal of interest, and I am frank to say that neither my knowledge of art nor my appreciation of art were very much increased by its examination.

Sir HENRY DRAYTON: What paintings were bought last year?

Mr. KING (Kootenay): I cannot say at the moment. There was a report tabled during the early part of the session, giving details as to all the paintings secured last year.

Sir HENRY DRAYTON: If my hon. friend has the details of that he must also have the details of what was spent under the vote last year?

Mr. GARDINER: Is the Lord Beaverbrook who presented these pictures to the art gallery the Beaverbrook of Canada Cement fame?

Mr. THURSTON: What is done with the pictures that are removed from the gallery in oder to make room for new paintings?

Mr. KING (Kootenay): The committee loan pictures for exhibition purposes. These pictures move from one section of Canada to the other, and the work is going on practically all the time.

Mr. THURSTON: They are never sold?

Mr. KING (Kootenay): No, I think not.

Mr. SPENCER: Would the minister be good enough to reply to the question of the hon. member for Medicine Hat?

Mr. KING (Kootenay): I am afraid I did not catch the question.

Mr. GARDINER: I asked whether the Lord Beaverbrook who presented these pictures to the art gallery is the Beaverbrook of Canada Cement fame?

Mr. KING (Kootenay): I believe he was interested in Canadian cement at one time.

[Mr. McQuarrie.]

Mr. GARDINER: I presume the officials of the art gallery realize that he can afford to give these pictures to Canada.

Mr. LEADER: Do I understand the minister has given up answering my question?

Mr. KING: (Kootenay): I think the information is contained in the report of the art committee. I think it contains a description of the paintings that were bought last year. I sent for a copy of the report.

Mr. LEADER: What was the average price paid?

Mr. KING (Kootenay): I have not got that information yet; I will try and get it for my hon. friend.

Mr. CALDWELL: When an exhibition organization wants to secure some of these paintings to put on exhibition what is the procedure followed?

Mr. KING (Kootenay): I think they would make application to the National Art committtee or to the department. If to the latter they would pass it on to the committee.

Sir HENRY DRAYTON: Has the new chairman been elected yet?

Mr. KING (Kootenay): Not yet.

Sir HENRY DRAYTON: I think we are interested in seeing what was paid for the paintings, and how many of them have been bought. I am not sure that it is not the duty of the committee to reduce this vote by $40,000 which would still leave a large sum of money available for new paintings when great need exists for the practice of economy. While the deputy is looking up the information we are asking for I wonder if we could not get the minister interested in something that is a matter of vital concern to us all. How many of us have noticed that this building which ought to be the coolest place in Ottawa is generally the hottest?

Mr. FORKE: There is a reason.

An hon. MEMBER: Hot air.

Sir HENRY DRAYTON: That is right; it is because there is hot air. The members are responsible for a good deal of it sometimes but not for all. It does seem to me perfectly ridiculous that conditions should be as they are. I have drawn this matter to the attention of the department before. In the old chamber there was a duct which brought in cooled air from just about high water mark in the river; the atmosphere in the chamber was always cool, we always had fresh air. Now we have got a very expensive

plant for cooling the chamber and the results are disappointing. If the former system were in operation the Prime Minister would not be yawning at eleven o'clock; not a bit of it, he would be feeling perfectly fresh. Seriously if the minister will not think of anybody else I beseech him to think of the Prime Minister. What is the Department of Public Works doing to-day? Outside the chamber there is a little walled-in courtyard where the hot sun beats down all day, and we draw the air in from there to cool this chamber; the process of cooling it is not very successful.

Mr. GRAHAM: Competition.

Sir HENRY DRAYTON: It is the kind of competition the House would like to get rid of.

Mr. KING (Kootenay): I do not know of any change having been made.

Sir HENRY DRAYTON: No, I want a change.

Mr. KING (Kootenay): I thought you were complaining bitterly because there had been a change.

Sir HENRY DRAYTON: No, I want a change. I do not believe in the kind of conservatism that does not change when a change becomes necessary. We have a temperature outside in the warm weather which is extremely high, and we go through the farce of drawing that hot air into the chamber. We are better without it as conditions are. Why not revert to the former system of bringing cool air in by a duct. That duct is still available, it is only a matter of attaching it. Why not attach it? If my hon. friend would only save a few cents for this purpose out of the tremendous number of votes he is forcing through, it would be extremely beneficial. Let us do that and drop the present pretence of cooling the chamber. Now, I have no doubt the minister has got the necessary information as to how many paintings were bought last year and what they cost.

Mr. KING (Kootenay): I have a copy of the report and on pages 12 and 13 is to be found a list of the paintings purchased, and also a list of the gifts received. I think about twenty-three were purchased. The value of the works secured amounted to $72,696 last year.

Sir HENRY DRAYTON: What were the other costs last year?

Mr. KING (Kootenay): General maintenance $12,000 salaries and wages $6,000, restoration of National Gallery and Canadian War Memorial pictures, $9,000.

Mr. BAXTER: I do not want to delay but I was credulous about the matter, and I desired to see this report. I thought it would contain all the information and would save discussion. The first page is numbered seven and seems very strange after what the minister has just remarked. The report says:

> It was obvious that out of an appropriation of only $50,000, a considerable portion of which was required for maintenance and administration at home and the furtherance of its work throughout the country, not many purchases could be made.

Mr. KING (Kootenay): That was the year before. This was brought down for 1922-23.

Mr. BAXTER: You are speaking of 1923-24?

Mr. KING (Kootenay): Yes.

Mr. BAXTER: That explains it.

Sir HENRY DRAYTON: Surely the minister does not want to have an increase of 50 per cent of the vote over the vote of 1922-23. We voted for frills and extravagances last year; we voted for ornamental lighting and all the rest of it, and threw away $50,000. Does the minister honestly think that in view of the country's finances, not considering bookkeeping, that it is a good thing to have 50 per cent increase in this vote over the vote of 1921-22?

Mr. KING (Kootenay): We have reduced the vote of last year $25,000. Of course it could be further reduced, if we allowed the work to cease. Still there is a certain obligation for the maintenance, restoration and care of the pictures, salaries and wages amounting to a considerable sum. I do not think I will disturb the vote. I quite concur in the remarks of the Prime Minister and will suggest to the committee that unless there is a really good reason they should refrain from spending all the money.

Sir HENRY DRAYTON: This is carried on division.

Mr. BAXTER: Looking at the picture opposite page 16, does the minister not think it is a little blasphemous?

Item agreed to.

National Monunment on Connaught place, $10,000.

Sir HENRY DRAYTON: What is that?

Mr. KING (Kootenay): It is a revote.

Sir HENRY DRAYTON: Perhaps the Minister of Soldiers' Civil Re-establishment (Mr. Béland) could tell me about that. Is it the idea that it is to be dropped?

Mr. KING (Kootenay): I do not think it should be dropped.

Sir HENRY DRAYTON: Why is it that nothing is being done?

Mr. KING (Kootenay): We had an item last year and the matter is under discussion. There has been a report as to the foundaton on Connaught place, and this should be thoroughly examined before the work is proceeded with. It may mean a change in the location.

Sir HENRY DRAYTON: What has been put up so far?

Mr. KING (Kootenay): Nothing.

Sir HENRY DRAYTON: What is to be put up?

Mr. KING (Kootenay): It has not been decided.

Sir HENRY DRAYTON: Then the matter is in abeyance.

Item agreed to.

New hull for snagboat, Samson, $27,500.

Sir HENRY DRAYTON: When was this boat bought?

Mr. KING (Kootenay): This boat operates on the Fraser river and was built some ten years ago, and is used in removing the very large trees that come down the river in the freshet time and catch on bars and tend to collect driftwood in the river. It performs a very important work in clearing the roots and snags out of the river. It was necessary to renew the hull of this boat, and I think contracts have been let.

Sir HENRY DRAYTON: How long has the work been going on?

Mr. KING (Kootenay): The contract was let in February.

Mr. CALDWELL: Is ten years the ordinary life of the hull of a boat on the river?

Mr. KING (Kootenay): This boat is moving around up against the shore, but on the coast ten years is about the life of a wooden hull.

Mr. CALDWELL: What kind of wood is the hull made of?

Mr. KING (Kootenay): Fir.

[Mr. J. H. King.]

Mr. CALDWELL: British Columbia fir?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: There was a vote last year of $30,000.

Mr. KING (Kootenay): That was the same thing. We did not go on with the contract. We are asking for a revote of $27,500. This is the same item.

Sir HENRY DRAYTON: There was a vote of $30,000 for 1923-24, and there is a vote of $41,000 for 1924-25. There is just the difference between $41,000 and $30,000.

Mr. KING (Kootenay): Yes. We have asked for tenders, and the total amount will be $41,000.

Sir HENRY DRAYTON: How was the money spent last year? The work must have been started.

Mr. KING (Kootenay): The contract was let in February, and there have been small payments made, probably for material which they had laid down before the expiration of the year.

Sir HENRY DRAYTON: Has that been done by contract?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: By tender?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: What is the name of the company?

Mr. KING (Kootenay): The Star Shipyard Company, New Westminster.

Item agreed to.

Ottawa Parliament Building—tablet to the memory of the late Bowman B. Law who lost his life in the fire which destroyed the old Parliament Building, $5,000.

Mr. CARDIN: I move that this item be struck out.

Mr. SPENCER: How is it going to be paid for?

Mr. KING (Kootenay): It was paid out of last year's vote.

Mr. SPENCER: Who was the contractor for that work?

Mr. KING (Kootenay): Mr. Chalmers of Montreal was the successful competitor in the competition.

Mr. JOHNSTON: Did it require the full $5,000 for the tablet?

Mr. KING (Kootenay): Yes.

Motion agreed to.

River gauging and metering, $30,000.

Mr. KING (Kootenay): This is an important vote. It provides for the investigation and collection of data as to fluctuations on various rivers, and provides for salaries of gauge readers at various points, the purchasing of recording apparatus and travelling expenses. These investigations are very necessary in studying the streams and getting data that assist in locating works that it is proposed to construct. The expenditure varies from year to year. In 1922-23 there was an appropriation of $63,000 and the expenditure amounted to $45,251.

Mr. CALDWELL: Is this work being carried on in conjunction with the provinces with a view to developing water power?

Mr. KING (Kootenay): This is a separate item.

Mr. CALDWELL: What is this item for?

Mr. KING (Kootenay): Our engineers in the construction of a wharf or dam would take soundings, meterings, gauge the current, watch the flow. This is a class of work that is done in advance during the whole season. In the Fraser river that we discussed this afternoon, we are continually making surveys.

Mr. CALDWELL: This is more in aid of navigation?

Mr. KING (Kootenay): Navigation and general information.

Sir HENRY DRAYTON: At what points is this work going on?

Mr. KING (Kootenay): The St. Lawrence river.

Sir HENRY DRAYTON: At what point in the St. Lawrence?

Mr. KING (Kootenay): At various points where we have construction going on, all along the St. Lawrence. The Ottawa river and tributaries, Sturgeon river, Rainy river, Fraser river, St. Maurice river.

Sir HENRY DRAYTON: I thought the idea was to make absolutely certain of river levels and changes in river currents, work which can be done, as I understand the matter, only by systematic measurements at a given point. Levels are subject to many causes of variation. Is it true that this is a wandering business, or have we not a regular stand where the different measurements are taken regularly?

Mr. KING (Kootenay): We are doing work in these localities, gauging and metering. That becomes a record that is available for the department and others requiring the information.

Sir HENRY DRAYTON: Is this done at a fixed point?

Mr. KING (Kootenay): Various fixed points. They must be fixed points.

Sir HENRY DRAYTON: I asked for the fixed points and the minister said that this work was done wherever there happened to be construction.

Mr. KING (Kootenay): I have not the fixed points under my hand.

Mr. McBRIDE: This is one of the most important works the government is carrying on in connection with navigation. There are certain places where the tide changes along the coast, and after these records are taken and established, they are put in the tide tables. In this way master mariners can tell exactly the turn of the tide the ebb or the flow. It is very important when they are going through straits and shoals, narrow channels, to know which way the tide is running. This is an important work in aid of navigation.

Mr. CALDWELL: Does this apply to tidal waters or rivers?

Mr. KING (Kootenay): This is in connection with rivers.

Sir HENRY DRAYTON: This would be particularly important as regards the Chicago water diversion. That is why I wanted to know why he did not have this work done at fixed points.

Mr. KING (Kootenay): Yes, we have.

Sir HENRY DRAYTON: The minister will see that he steered me wrong in the first instance, because in the second he is steering me right.

Mr. KING (Kootenay): I have not the different locations before me. My statement reads: St. Lawrence river; Ottawa river and tributaries, and so on. The work is being done at different points on the rivers. The fixed points would be a matter of record in the department.

Sir HENRY DRAYTON: What was the expenditure?

Mr. KING (Kootenay): In 1922-23 the expenditure was $45,251. In 1923-24, there was an appropriation of $31,000 but the expenditure is not shown.

Mr. BAXTER: It seems to be a misapprehension to think that this appropriation is in connection with tide tables. While it is all very well to praise the government, there is no need for a member to rush in and say that this is a worthy work when he has the wrong work in mind altogether. Item 233 is tidal and current survey under ocean and river service at a cost of $30,000. That is in regard to tide tables. Why is one under one department and the other under another?

Mr. KING (Kootenay): We are doing this work in certain localities that I named. We are not doing it in tidal waters. The Marine Department are taking care of that.

Mr. BAXTER: Is this not to get information as to the possibility of power development?

Mr. KING (Kootenay): It is very useful in connection with power development.

Mr. BAXTER: I know that streams in New Brunswick have been investigated by some departments. Was it not the Department of Public Works that sent out officers and had those streams, I might say, calibrated?

Mr. KING (Kootenay): I have not the information that this department has been doing work in New Brunswick. We have confined our operations to the larger streams which I have mentioned.

Mr. CALDWELL: Is it not a fact that metering and measuring of the flow of water in rivers for power development are carried on by the Interior department? I got a report from them a short time ago giving information concerning the flow of water in New Brunswick rivers.

Mr. KING (Kootenay): They do that.

Sir HENRY DRAYTON: In order to get that information the Interior department would have to meter the rivers also.

Mr. KING (Kootenay): They are not covering the same field. We are doing certain work on these rivers.

Sir HENRY DRAYTON: I cannot for the life of me see why we should not try to save something, no matter who did this work in the past. The hon. member (Mr. Caldwell) has made the case clear. The department that does this metering and gauging in order to find out the flow of water of rivers available for waterworks is the Interior department, and in order to do that they would have to do the same thing which this department is doing in the rivers the minister has mentioned. It is certainly clear that this is an opportunity of saving money.

Mr. KING (Kootenay): My hon. friend will notice that the rivers on which the Department of Public Works are doing this work are the larger rivers, rivers where we are called upon to spend pretty large sums of money.

Sir HENRY DRAYTON: Sturgeon river?

Mr. KING (Kootenay): We are spending some money there, I think; we have a lot of power development there. Then there are the activities on the St. Lawrence and Rainy rivers—

Sir HENRY DRAYTON: Sturgeon river is not one of the great rivers, that is where private companies operate.

Mr. KING (Kootenay): It has been convenient for the department to do work there. Most of the metering and measuring has been done for power development by the Interior department.

Mr. CALDWELL: Is the Interior department carrying on gauging work on the St. Lawrence, the Sturgeon river, the Rainy river and other rivers on which the Public Works department carries on activities? If so, there would seem to be some overlapping.

Mr. KING (Kootenay): I am advised that there is no overlapping.

Mr. CALDWELL: The minister is sure that the Department of the Interior is not carrying on work on the St. Lawrence, the Sturgeon, or Rainy river?

Mr. KING (Kootenay): I am not absolutely sure, but I understand not.

Item agreed to.

Surveys and inspections, $110,000.

Mr. KING (Kootenay): This vote is required to provide for surveys and inspections necessary in the fiscal year 1924-25 in connection with harbours, rivers, slides, booms, bridge works and other services under the control of the department.

Sir HENRY DRAYTON: What was spent last year?

Mr. KING (Kootenay): The appropriation last year was $110,000 and there was an expenditure of $126,000.

Mr. THURSTON: In what provinces were there any expenditures last year?

Mr. KING: The vote is a general vote for the whole Dominion. The summary comprises travelling expenses to be accounted for for district engineers and assistants, amounting to $20,856; travelling expenses for district engineers, paid from time to time, $95,000; sundry local surveys $5,000; geodetic levelling, $4,000. The expenditure varies from year to year.

Mr. CALDWELL: Does this summary include salaries?

Mr. KING (Kootenay): No.

Mr. THURSTON: Apparently most of this vote was used last year in travelling expenses.

Mr. KING (Kootenay): It is largely for travelling expenses.

Sir HENRY DRAYTON: What sort of surveys are made?

Mr. KING (Kootenay): We have countless petitions for new works, such as wharves and piers, and the engineers go out from the various offices to the particular points and make their surveys.

Sir HENRY DRAYTON: This item really should be considered in connection with the engineering branch, outside service.

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: It is really a part of that vote. Has the minister never considered for his own convenience the advisability of including in the details of civil government all this clerical, engineering and similar work? I know that the departments do not like doing this, but the Minister of Finance (Mr. Fielding) himself agreed with me that it would be a very good thing if the people were enabled to understand just what it was costing to run the country, and if, with this end in view, there could be available a list showing all the salaries. Why can this not be done?

Mr. KING (Kootenay): It could be done.

Sir HENRY DRAYTON: Well, why is it not done? We have raised this same point now for some years, and the estimates are being brought down just in the same old way.

Mr. KING (Kootenay): When my hon. friend was in the government why did he not do as he now suggests?

Sir HENRY DRAYTON: That is one of the most childish arguments that could be advanced by anyone who is at all serious; it is an argument which is an absolute admission of futility on the part of the minister. To say that because someone else whom he condemned on the public platform and whom he has been able to turn out of office did not do a certain thing, therefore he himself should not do it, is really the height of inanity. My hon. friend knows it. I know that this is an argument frequently used, and I am not blaming the minister any more than anyone else. But this sort of thing is the most miserable and wretched kind of negation that one can think of. If my hon. friend and his government have any real idea of instituting economies, can they not for a while forget this absurd retort, "Why did you yourself not do it?" That does not help the taxpayer one bit. Again, I ask, why is this not done? To say that it was not done several years ago is no answer to the question why it is not done now. The matter has been called very objectively to the attention of the department for some years now.

Mr. KING (Kootenay): As my hon. friend realizes, there are some difficulties in the way. Heretofore the service was considered "outside"; it has not been treated as an inside service. It is true that in the re-classification of the civil service there has been a difference, and I am looking forward to the day when a larger number of these services will come within the scope of the Civil Service and the necessary estimates be brought under "civil government". But my hon. friend knows very well that there are difficulties in the way, and not one department but all the departments are involved. However, the matter is receiving careful consideration.

12 p.m.

Sir HENRY DRAYTON: My hon. friend is quite right when he says that there are difficulties in the way; but there are always "difficulties in the way", and there will be difficulties in the way so long as no attempt is made to remove them. It is true also that there are more departments than one involved. But any one department can take the first move; because other departments have taken no steps in the matter is no reason why my hon. friend should remain inactive. Nothing will ever be done, we shall never make any progress whatever, so long as this policy continues. If we are to wait until reform is begun everywhere simultaneously we shall wait a long time. Having regard to the peculiar circumstances in this department, can my hon. friend mention one real difficulty which stands in the way of the reform I have suggested?

Mr. KING (Kootenay): There are many.

Sir HENRY DRAYTON: Mention one.

Mr. KING (Kootenay): In the first place you would bring into the service and give an appearance of permanency to positions which I am not sure it would be wise to regard in that way. I am not sure that this should be done in connection with inspectorships and many of the temporary employees. I think it is a mistake. I think they should probably remain in a list that is not treated as the inside service list.

Sir HENRY DRAYTON: My hon. friend is confusing the issue. Why talk such nonsense as to say that, having temporaries and permanents both in the inside and in the outside services, if you put them together you are going to change the basis in either case? That is not any reason. Will the minister not try again?

The CHAIRMAN: Shall the item carry?

Sir HENRY DRAYTON: Then if we cannot get any answer from the minister, let us try the Acting Minister of Finance. I may say to him that a belief which I held, and which was shared by my right hon. friend (Mr. Fielding), was that we should not have salaries hidden in these estimates, here, there and everywhere, so that we could not find out what the cost of the administration of a department was. We have it in practically all services, and a large proportion in this department. I do not see why the details should be given for Ottawa and not for Toronto, Montreal or Vancouver. You can see exactly what your Civil Service in Ottawa is costing. A great deal is said about the Civil Service in Ottawa; many attacks are made upon it, but I am inclined to think that if we had in respect to the outside service anything like the information we have with respect to Ottawa, the Ottawa Civil Service would be able to make a pretty good case in comparison with the outside. I will ask the Acting Minister of Finance whether he is not in favour of a reform which will enable hon. members and the people generally to know just what the Civil Service is. We think it is what we see here, but it is not; that is merely the Ottawa service.

Mr. ROBB: Does my hon. friend mean that we should publish a list showing how much is paid to each employee of the government?

Sir HENRY DRAYTON: On page 8 of the estimates we see "Civil government, amount to be voted, $10,869,978." The details are given as appearing on certain pages. Now, in some departments what is shown here, and what looks as if it were the whole cost of civil government of that department, is but a mere fraction of the actual cost. For instance, in Public Works—and I take this because it is one of the most misleading of all the departments—the salaries are given under civil government on page 8 as $631,520, whereas it will be seen that they really amount to $3,753,000. The whole reason is that the salaries appear here, there and everywhere.

Mr. KING (Kootenay): That is hardly fair, because I gave the committee the information as to the number in each department, and it will be found on Hansard tomorrow.

Sir HENRY DRAYTON: My hon. friend is indeed very sleepy. I was not saying anything about the information he gave or tried to give; I think he has done the very best he could. I am talking about these estimates, not about the waste of time involved in looking for information that we ought to be able to get quite readily.

Mr. LOW: Is this not the system that has been in vogue for the last ten years?

Sir HENRY DRAYTON: Oh, we still have that cry; we still have that negation of all action and progress and thought, and it comes from a very fitting source, the benches opposite.

Mr. LOW: The fact that the system has been good enough for the last ten or fifteen years should satisfy the hon. member.

Sir HENRY DRAYTON: Surely that is one of the most reactionary ideas that could come from a bunch of reactionaries. The fact that it has been going on in the past does not make it right.

Mr. LOW: Would the hon. member suggest some improvement which might be put into effect next year?

Sir HENRY DRAYTON: My hon. friend should attend more regularly. Had he been here he would have known that I did make a suggestion and tried to impress it upon the minister. Apparently one has to talk a lot and talk often in order to get the slightest attention. I hope I have not to start all over again for the benefit of my hon. friend.

Mr. LOW: I will read Hansard to-morrow.

Sir HENRY DRAYTON: As I have pointed out, the apparent salary list for this department is $631,520 whereas the real amount is $3,752,311.

Mr. ROBB: Would not part of that relate to work done by day labour?

Sir HENRY DRAYTON: Some of it but not very much. There is however, a tremendous amount of it that ought to be given in this civil government list. Now I ask the hon. member what reason there was for not doing it. He gave me the same reason as was given by the Minister of Trade and Commerce. I have expressed my views upon that kind of an argument, and I asked him if there was not some real reason, and he said yes there was—I am giving what he said just as well as I can recall it—and the real reason was that if all these were put on the civil government list we would be making a whole lot permanent who ought to remain temporary. I pointed out to the Acting Minister of Finance that that is no reason at all, as he well knows. It may be the Minister of Public Works thought it was a reason, but the Acting Minister of Finance knows perfectly well, in his position, that when you are treating everything as Ottawa you have permanent employees as well as temporary employees. Just because they are in Ottawa does not make them permanent, and conversely in connection with outside employees you have permanent and temporary; they are not made temporary because they are outside. It is ludicrous, simply ludicrous. There is no reason advanced by the minister why this reform should not be instituted, and I am going to ask my hon. friend the Acting Minister of Finance if he knows of any, and if he will not admit that it is infinitely better, when you are looking for salaries, to know where you will find them, whether it is salaries in Ottawa or anywhere else.

Mr. ROBB: I am impressed with the observations of my hon. friend, and to-morrow I shall direct the attention of the department to them, and see if we cannot work out a system next year that will be a little more illuminating.

Item agreed to.

Dredging—Maritime provinces, $540,000.

Mr. KING: (Kootenay): Before six o'clock my hon. friend from West York asked for certain figures as to dredging. I have the figures here. For the Maritime provinces the appropriation was $625,000 and the expenditure $529,264. The departmental dredges removed 1,225,613 cubic yards at an expenditure of $459,200.

Sir HENRY DRAYTON: What does that work out at a yard? I asked the yard price.

Mr. KING (Kootenay): That would require a lot of figuring. It varies in different localities.

Mr. CALDWELL: Do these prices for dredging include the disposal of the material dredged out?

Mr. KING (Kootenay): Yes. The 1,225,613 yards at an expenditure of $459,200 would work out roughly at 38 cents per yard.

Sir HENRY DRAYTON: Does that include overhead, or just wages and fuel?

Mr. KING (Kootenay): Just wages, fuel, oil, and operating charges generally. By contract, 51,748 cubic yards were removed at a cost of $53,627; the expenditure on hand dredging, which is done with horses and scrapers, amounted to $16,436.

Sir HENRY DRAYTON: That is an awfully high price to pay for dredging.

Mr. KING (Kootenay): I do not think so.

Sir HENRY DRAYTON: You have given in one instance fifty-one to fifty-three, as against twelve to four.

Mr. KING (Kootenay): It depends on the character of the work.

Sir HENRY DRAYTON: Who was the contractor who got that price?

Mr. KING (Kootenay): There are various contracts and various works.

Mr. CALDWELL: What class of dredging is done by hand, with teams and scrapers?

Mr. KING (Kootenay): Some of the smaller channels.

Mr. CALDWELL: When the tide is out?

Mr. KING (Kootenay): Yes. I have the name of the contractor my hon. friend asked for. At Curry's Cove the contractor, Mr. J. A. Gregory, received the following prices:

5,669 cubic yards sand, gravel and packed clay, at $1.10 per cubic yard barge measurement;

40 cubic yards rock at $8 per cubic yard barge measurement.

Sir HENRY DRAYTON: I suppose the long and short of it all is that the figures given for the department covered ordinary dredging, sand, mud and the like, while the

contract figures were for rock. If they were for rock, of course they would be higher.

Mr. KING (Kootenay): Some of it is rock.

Mr. BAXTER: I might perhaps help the minister in connection with the Gregory contract to which he referred. I speak subject to correction, but I think there are special dredges either at the long wharf or the west side wharves to clear up the channel each year. It is done at a depth of sixty feet in high water, but of course you cannot work in high water, and at a depth of 28 feet in extreme low water, and the only dredge that can get in close enough is one of these teaspoon dredges, and it makes the price comparatively high. So far as that one item is concerned, I think I can say the charge is quite correct. If we could be given the localities and a statement of the conditions such as I am giving, I think it would clear the air and let us know if anything was being done that ought not to be done.

Mr. KING (Kootenay): My hon. friend is right. We did not succeed in getting any bids when we asked for tenders, but finally we did get in touch with two contracting firms. We got the Gregory contract at the price mentioned. The rock or class "A" material was done under difficulties, and the price was considered fair by the department. The Atlantic Dredging Company did the work for us at Louisburg. There the prices vary; it was sixty-five cents for mud and 68 cents for hard sand and mud.

Sir HENRY DRAYTON: Would it not really be better if the minister would prepare a memorandum and put it on Hansard? The present method of getting information seems to occupy a long time. I thought the minister said the information was ready.

Mr. KING (Kootenay): I have the information asked for. There are a lot of details but if it is desired the information can go on Hansard.

Sir HENRY DRAYTON: I want to get the cost per yard of the dredging done by this government.

Mr. KING (Kootenay): The average cost was 38 cents per yard by the departmental plant. By contract 51,749 yards were removed at a cost of $53,627.38. That would amount to something over $1 a yard. By hand dredging the expenditure was $16,436. I do not imagine the yardage is kept. The same information will be applicable to the dredging in Ontario and Quebec.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: I understood the yardage I have here was for the Maritime provinces.

Mr. KING (Kootenay): I have given the particulars with respect to the Maritime provinces. I am now going on to the provinces of Quebec and Ontario, following the same line of questions that my hon. friend asked.

Sir HENRY DRAYTON: I understood the minister to say the figures were the same.

Mr. KING (Kootenay): No. I am answering the same question with respect to the provinces of Ontario and Quebec. The departmental expenditure for 1923-24 is $547,320. In the case of the departmental dredges there were 805,675 yards at an expenditure of $331,376.81. By contract the yardage was 327,899 at an expenditure of $178,036.39. The hand dredging amounted to $37,907.04 making a total of 1,133,574 yards at an expenditure of $547,320.

Mr. CALDWELL: The departmental dredging would be cheaper?

Mr. KING (Kootenay): It is in some cases.

Mr. BAXTER: There is no overhead charge?

Mr. KING (Kootenay): No you do not have your overhead.

Mr. BAXTER: That is usually the trouble with governmental or municipal bookkeeping; they never make the charges in a way that private firms would do.

Mr. KING (Kootenay): The dredging in Manitoba, Saskatchewan and Alberta is dealt with in the same way. The departmental dredge handled 168,076 yards at an expenditure of $81,274. The expenditure for hand dredging was $2,115. The amount for maintenance of plant is $14,562.90.

Mr. CALDWELL: I understand there is no charge for plant in the departmental dredging?

Mr. KING (Kootenay): No, it is not charged up agaginst the vote. Repairs of course are charged.

Mr. THURSTON: There is no charge for plant the same as in the case of a private contract?

Mr. KING (Kootenay): No. In British Columbia the departmental dredge handled 2,018,060 yards at a cost of $360,746.85. By contract the quantity was 18,397 yards at an expenditure of $7,908.95. The expenditure for hand dredging was $14,380. The total yard-

age amounts to 2,036,457 cubic yards and the total expenditure to $383,035.80. I will hand the statement over so that it may be put on Hansard.

The statement is as follows:

Dredging Maritime Provinces

Appropriation 1923-24	$625,000 00
Expenditure 1923-24	529,264 49

subdivided as follows:—

	Cu. Yardage	Expenditure
Departmental Dredges	1,225,613	$459,200 13
Contract	51,749	53,627 38
Hand dredging		16,436 98
Total	1,277,362	$529,264 49

Dredging Ontario and Quebec

Appropriation 1923-24	$675,000 00
Expenditure 1923-24	547,320 24

subdivided as follows:—

	Cu. Yardage	Expenditure
Departmental Dredges	805,675	$331,376 81
Contract	327,899	178,036 39
Hand dredging		37,907 04
Total	1,133,574	$547,320 24

Dredging

Manitoba, Saskatchewan and Alberta

Appropriation 1923-24	$100,000 00
Expenditure 1923-24	97,953 23

Subdivided as follows:—

	Cu. Yardage	Expenditure
Departmental Dredges	168,076	$ 81,274 94
Hand dredging		2,115 39
Maintenance of plant		14,562 90
Totals	168,076	$ 97,953 23

Dredging British Columbia

Appropriation 1923-24	$416,000 00
Expenditure 1923-24	383,035 80

Subdivided as follows:—

	Cu. Yardage	Expenditure
Departmental Dredges	2,018,060	$360,746 85
Contract	18,397	7,908 95
Hand dredging		14,380 00
Totals	2,036,457	$383,035 80

Item agreed to.

Mr. KING (Kootenay): I move the committee rise and report progress.

Sir HENRY DRAYTON: Perhaps my hon. friend thinks he has not rushed enough through yet. I just want to point out that this is Friday night, that members who are usually interested in the estimates go away on Friday night, and that the House rises at eleven. That has been the usual rule. I draw the minister's attention to the fact that it is now 11.30.

Mr. KING (Kootenay): No, 12.30.

Sir HENRY DRAYTON: Notwithstanding the rule referred to the estimates have got through very nicely and conveniently to-night. I am merely pointing out the fact.

Mr. MACKENZIE KING: I also point out the fact that when I made the suggestion I did at an earlier period of the sitting it was conditional on its acceptance by my hon. friend and his colleagues. He had only to say that it was not acceptable and the committee would have risen.

Mr. CALDWELL: Before you leave the chair, Mr. Chairman, I wish to say I am somewhat surprised at the attitude of the ex-Minister of Finance because I can remember sitting here when his government brought down new estimates at this time of night and went on until two or three o'clock in the morning.

Sir HENRY DRAYTON: Not on a Friday night.

Mr. CALDWELL: I do not know as to that. But just there I do not see any reason why those of us who have to be here for five months and do not get home at all should be compelled to cease doing business because someone else wants to go home. The members who live near Ottawa have just as much right to be present on Friday night and Monday afternoon as we have. I object to the attitude assumed by the ex-Finance Minister and I do not think he is very serious in his view.

Sir HENRY DRAYTON: I do not know that I am very serious one way or the other but I like consistency some time. I know what the Prime Minister and the Hon. Mr. Fielding have said about sitting until eleven o'clock. I know all that, but I suppose I should not look for consistency.

Mr. MACKENZIE KING: The government has tried to carry on the business so as to conclude our sitting at eleven o'clock, but now that we are getting near the end of the session I think there is a general wish on the part of the House that we should sit somewhat later. Of course, if there is going to be strong objection to sitting late, as far as the government is concerned we will not do so but will continue the session on into July and August if that is preferable. However we want to meet the wishes of members, and I think the general desire is to get through as early as possible.

Sir HENRY DRAYTON: If the government want to expedite the session let them expedite their measures and bring them down. If they are sincere in wanting to get away they will at least bring down their supplementary estimates. Usually before there is any talk about rushing business and closing the session all the business is brought down.

Mr. MACKENZIE KING: I do not want to take up very much time but my hon. friend knows better than to speak as he does with respect to the business of the House. If he refers to the records when he was Minister of Finance he will find that the supplementary estimates were not tabled until the last day or the last two days of the session.

Sir HENRY DRAYTON: The main supplementary estimates?

Mr. MACKENZIE KING: I did not say the main supplementary estimates, I said the supplementary estimates.

Sir HENRY DRAYTON: Main supplementaries?

Mr. MACKENZIE KING: No, supplementary estimates. We gave the House plenty of time to discuss the supplementary estimates. There will be no effort to crowd anything through. With respect to the business of the House there has not been a day when the House has not had all the business before it that it could possibly get through with.

Sir HENRY DRAYTON: I do not know about that. We have adjourned very early sometimes.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 12.35 a.m.

Monday, June 16, 1924

The House met at three o'clock.

PRIVATE BILLS COMMITTEE

UNITED CHURCH OF CANADA

Mr. H. B. McGIVERIN (Ottawa) presented the third and fourth reports of the Committee on Miscellaneous Private Bills, the third report reading as follows:

Your committee have considered Bill No. 47, incorporating the United Church of Canada, and have agreed to report the same with amendments.

Your committee have found it advisable to amend the preamble of the said bill so as to indicate the reason for some of the amendments which were made to the provisions of the Bill.

Your committee beg to submit herewith for the information of the House a copy of their minutes of proceedings. They have also had the bill reprinted as amended.

Your committee also beg to recommend, in accordance with the usual practice in connection with religious corporations, that the fee and charges paid on this bill, less the cost of printing and translation, be refunded.

All which is respectfully submitted.

Mr. ROBERT FORKE (Brandon): I move that, in accordance with the recommendation continued in the third report of the select standing committee on Miscellaneous Private Bills, the fees and charges paid on Bill No. 47, incorporating the United Church of Canada, be refunded, less the cost of printing and translation.

Motion agreed to.

SALARIES OF POSTAL EMPLOYEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have received from the Civil Service Commission some further correspondence with respect to the revision of salaries of postal employees. This correspondence is between the officials of the Post Office Department and the Civil Service Commission. I presented the other day what I was given to understand was a complete return, but the member for East York (Mr. Harris) drew my attention to the fact that while it included correspondence between the deputy ministers and the Commission, there might possibly be other correspondence between officials of the department and the Commission. This is the correspondence I now lay on the Table.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil): (Minister of the Interior) moved for leave to introduce Bill No. 187, to amend the Dominion Lands Act.

Mr. MEIGHEN: Explain.

Mr. STEWART (Argenteuil): This amendment to the Dominion Lands Act is to permit the department to sell small portions of land on school sections. At the present time it is difficult to enter into an agreement of sale owing to the provisions of the act that require a sale by public auction. We frequently have application made to us for small sites for cemetery plots, school sites, and so forth, and in the case of the Winnipeg Greater Water District, the right of way crosses these lands. This amendment will affect only the sale of very small areas. We have consulted with the premiers of the three prairie provinces, and have their consent to this legislation, which will permit us to fix the value without a public sale in selling small parcels for the purposes I have mentioned.

Mr. MEIGHEN: The explanation does not explain to me. There always was a method of taking care of the sale of small portions. What I would like to get—perhaps the min-

ister could give it later better than now—is an explanation of what the new method is as compared with the old. They did not have to proceed by auction before.

Mr. STEWART (Argenteuil): I think my hon. friend will agree with me that that has been the practice. I know that we have received a great many applications for sand pits, gravel pits, cemetery plots, and school sites particularly. In the case of school sites there never was much difficulty, but there is a great deal of difficulty in connection with other small parcels of lands.

Motion agreed to and bill read the first time.

LAND TITLES ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 188, to amend the Land Titles Act.

He said: This is an amendment to the Land Titles Act to permit us to utilize the services of the Gold Commissioner in the Yukon rather than to employ a barrister, as the act now provides. The registrar at present is Mr. Black, and as we have been cutting down the staff very materially we now propose to have the commissioner exercise the duties that formerly devolved upon a barrister. We need legislation in order to carry out that purpose.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS

Bill No. 177 (from the Senate), respecting certain patents owned by The Canadian Sumner Iron Works, Limited.—Mr. Stevens.

Bill No. 178 (from the Senate), for the relief of Katherine Gossage.—Mr. Ross (Kingston).

Bill No. 179 (from the Senate), for the relief of Alice Moore.—Mr. Martell.

Bill No. 180 (from the Senate), for the relief of Alexander Cruikshanks.—Mr. Church.

Bill No. 181 (from the Senate), for the relief of Francis Albert Armstrong.—Mr. Martell.

Bill No. 182 (from the Senate), for the relief of Edythe Kathleen Victoria Canniff.—Mr. Hocken.

Bill No. 183 (from the Senate), for the relief of Helen Tuer.—Mr. Jacobs.

Bill No. 184 (from the Senate), for the relief of Gordon Allingham.—Mr. Chew.

Bill No. 185 (from the Senate), for the relief of Hilda Maud Ward.—Mr. Hocken.

Bill No. 186 (from the Senate), for the relief of Rosie Race.—Mr. Harris.

QUESTIONS:

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—Mr. JAMES STEWART

Hon. Mr. STEVENS:

1. When was James Stewart appointed Canadian National Railway director?
2. How many meetings of such directors has he attended since? When and at what places?

Hon. Mr. GRAHAM:

1. October 4, 1922.

2. 1922, October 10, Toronto; 1923, January 29, Ottawa; February 19, Ottawa; March 19, Ottawa; June 11, Montreal; July 24, Winnipeg (Executive Meeting); 1924, January 21, Montreal; February 14, Montreal; May 19, Montreal.

CANADIAN NATIONAL RAILWAYS—DIRECTORS' MEETINGS

Mr. ROSS (Kingston):

1. How many meetings of full Board of Directors of the Canadian National Railways have been held since July, 1922?
2. What directors were at each meeting?

Hon. Mr. GRAHAM:

1. The directors of the Canadian National Railway Company were appointed by order-in-council P. C. No. 2094 dated October 4, 1922, and the first meeting was held October 10, 1922. Nineteen meetings of the Board of Directors and two meetings of the Executive committee have been held.

2. Canadian National Railway Company.

List of Directors present at Board Meetings:

October 10, 1922: Major G. A. Bell, Mr. R. P. Gough, Mr. James Stewart, Mr. E. R. Decary, Mr. Gerard Ruel.

January 29 and 30, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. James Stewart, Mr. R. P. Gough, Mr. Tom Moore, Mr. E. R. Decary, Mr. Gerard Ruel, Mr. J. H. Sinclair.

February 19, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. J. H. Sinclair, Mr. E. R. Decary, Mr. R. P. Gough, Mr. Gerard Ruel, Mr. Tom Moore, Mr. James Stewart, Col. O. E. Talbot.

March 19, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. E. R. Decary, Mr. Gerard Ruel, Mr. R. P. Gough, Mr. F. G. Dawson, Mr. Tom Moore, Col. O. E. Talbot, Mr. James Stewart.

April 16, 1923: Sir H. W. Thornton, Mr. Gerard Ruel, Mr. J. H. Sinclair, Mr. R. P. Gough, Mr. Tom Moore, Col. O. E. Talbot, Major G. A. Bell.

May 21, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. J. H. Sinclair, Mr. R. P. Gough, Mr. E. R. Decary, Mr. Tom Moore, Col. O. E. Talbot, Mr. Gerard Ruel.

June 11, 1923: Sir H. W. Thornton, Mr. J. H. Sinclair, Col. O. E. Talbot, Mr. James Stewart, Major G. A. Bell, Mr. Gerard Ruel, Mr. Tom Moore, Mr. E. R. Decary.

July 30, 1923: Sir H. W. Thornton, Mr. R. P. Gough, Mr. Tom Moore, Major G. A. Bell, Mr. E. R. Decary, Mr. Gerard Ruel, Col. O. E. Talbot.

August 20, 1923: Sir H. W. Thornton, Mr. Gerard Ruel, Mr. F. G. Dawson, Mr. R. P. Gough, Mr. Tom Moore, Col. O. E. Talbot, Mr. J. H. Sinclair.

October 18, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. E. R. Decary, Mr. Gerard Ruel, Col. O. E. Talbot.

OTTERVILLE POSTMASTER

Mr. SUTHERLAND:

1. What was the date of the appointment to office of the present postmaster at Otterville, Ontario?
2. Was the present postmaster appointed over the head of the assistant postmaster who had been acting in the capacity for several years?
3. Was the present postmaster sixty-six years of age at the time of his appointment?
4. If not, what was his age?

Hon. Mr. COPP:

1. October 27, 1922.

2. Mr. Wm. Holmes was appointed to the position and the then acting postmaster, Mr. L. D. Hussey, was also considered, together with a number of others.

3. The post office inspector's report of May 29, 1922, indicates Mr. Holmes as being sixty-five years of age. (Appointment was made in October of same year).

4. Date of birth not available.

STEAMSHIPS T. J. DRUMMOND AND J. A. McKEE

Mr. ARTHURS:

1. Were the steamships T. J. Drummond and J. A. McKee the property of the Canadian government?
2. If so. when were they purchased and at what price?
3. Were these vessels operated by the Department of Railways and Canals or any other department previous to operation by the Canadian National Merchant Marine?
4. If so, what were the profits or losses annually during such control, on operating receipts and expenses?
5. What amount, if any, was charged for depreciation on such ships during the control of the Department of Railways and Canals?

Hon. Mr. GRAHAM:

1. While these steamers were operated by Canadian Government Railways revenue and expenses were as follows:

[Mr. Graham.]

SS. McKee

Year	Revenue	Expenses	Surplus
1917..	$ 48,071 25	$ 40,584 38	$ 7,486 87
1918..	102,189 19	67,582 22	34,606 97
1919..	74,235 45	418,622 66	*344,387 21

*Deficit.

SS. Drummond

Year	Revenue	Expenses	Surplus
1917..	$ 85,620 00	$31,773 68	$ 53,846 32
1918..	197,045 94	70,606 39	126,439 55
1919..	139,380 23	58,705 90	80,674 33

2. During the time these vessels were in the service of the Canadian Government Railways no charge was made for depreciation.

CANADIAN NATIONAL RAILWAY SECURITIES

On the question:

What is the aggregate amount of bonds, debentures, debenture stock (perpetual or terminable), or other securities now issued in respect of the mileage of lines of railway either constructed, acquired, owned or controlled by the Canadian Government Railways (a) in gross; (b) per mile?

Sir HENRY DRAYTON: There is a clerical error here, and very likely it is my own fault. Instead of "Canadian Government Railways," it should be "Canadian National Railways". The Minister of Railways will see the obvious clerical error there.

Hon. Mr. GRAHAM: Stand.

SPEAKER'S SECRETARY

Mr. SEGUIN:

What amount was paid to the Speaker's secretary, for the whole year, the last year of the regime of the late Conservative government?

Right Hon. Mr. MACKENZIE KING: $4,626.96.

COMPARATIVE MILEAGES

Sir HENRY DRAYTON:

1. What are the railway mileages from Edmonton to (a) Vancouver; (b) Prince Rupert?
2. What are the railway mileages from Calgary to (a) Vancouver; (b) Prince Rupert?
3. What are the distances from the western entrance of the Panama canal to (a) Vancouver; (b) Prince Rupert?

Hon. Mr. GRAHAM:

1. (a) 765.47; (b) 956.90.

2. (a) Via Mirror, Camrose and Terminal Junction, 993.07; via Mirror, Camrose and Tofield, 1,006.22; via Munson Junction, Camrose and Terminal Junction, 1,028.50; via Munson Junction, Camrose and Tofield, 1,038.95. (b) Via Mirror, Camrose and Terminal Junction, 1,184.40; via Mirror, Camrose and Tofield, 1,197.55; via Munson Junction, Camrose and Terminal Junction, 1,219.83; via Munson Junction, Camrose and Tofield, 1,230.28.

3. (a) 4,045 nautical miles; (b) 4,325 nautical miles.

PETROLEUM AND NATURAL GAS RIGHTS

Mr. KENNEDY (Edmonton):

What is the legislative or other authority for P.C. No. 607 of April 12, 1924, regarding "the withdrawal from disposal of the petroleum and natural gas rights, the property of the Crown, in townships 84, 85, 86 and 87, ranges 20 and 21 west of the 5th initial meridian"?

Hon. Mr. STEWART:

Section 76 of the Dominion Lands Act, which defines the powers of the Governor in Council, provides:

The Governor in Council may withdraw from disposal under the said act any tract or tracts of land, provided that the reason for withdrawal shall be set forth in the order affecting the withdrawal.

DREDGE No. 5

Mr. JONES:

1. Is dredge No. 5 of the Department of Public Works now at Liverpool, Nova Scotia?
2. Is coal supplied to this dredge by contract?
3. To whom was the contract awarded and at what figure?
4. (a) Were tenders called for, and (b) if so was the lowest tender accepted?
5. Were other tenders receivd, and if so what are the names of the tenderers and the amount of the tender in each case?

Hon. Mr. KING (Kootenay):

1. No. The dredge is now at Yarmouth, N.S.

2. Yes.

3. Hendry Limited, $9.45 per ton for best quality Acadia lump delivered aboard the dredge in such quantity and at such times as may be required.

4. (a) Yes. (b) Yes, quality and suitability of the coal and the conditions of delivery being considered.

5. Yes, as follows:

Name of tenderers	Kind of coal	Price per ton
Inverness Railway & Coal Co. Ltd..	Inverness	$ 7 75
Bras d'Or Coal Co., Ltd.. ..	Bras d'Or	8 20
Hendry Limited..	Acadia	9 45
Hendry Limited..	Springhill	9 45
Southern Salvage Co., Ltd..	Springhill	9 50
W. N. Macdonald..	Sydney	9 75
Hendry Limited..	Old Sydney	10 55
Hendry Limited..	Old Sydney M/R	10 15

The Inverness Railway and Coal Company were twice asked, by wire, to name wharf at Liverpool from which they would deliver coal aboard the dredge. They did not reply. Bras d'Or Coal Company was then asked to name wharf from which they would deliver. They named the government wharf. There is no government wharf at Liverpool. All wharves are privately owned, and none was available for use of the Bras d'Or Coal Company. Hendry, Limited, own a wharf at Liverpool, upon which they maintain a stock of coal, thus ensuring the dredge against any delay in obtaining coal. Because neither Inverness Railway and Coal Company nor Bras d'Or Coal Company, could make satisfactory delivery, and because Acadia coal is more suitable for use on Dredge No. 5, the coal was purchased from Hendry, Limited.

PUBLIC BUILDINGS, LIVERPOOL, N.S.

Mr. JONES:

1. Is the coal for the public buildings in Liverpool, Nova Scotia, supplied by contract?
2. (a) To whom was the contract awarded and (b) at what cost to the government?
3. Were tenders called for and was the lowest tender accepted?
4. Were other tenders received, and if so what are the names of the tenderers and the amount of the tender in each case?

Hon. Mr. KING (Kootenay):

1. Yes.

2. Hendry Limited, $9.45 per ton for best Acadia lump delivered in bins.

3. (a) Yes. (b) Yes, quality of coal and conditions of delivery being considered.

4. Yes, as follows:

Name of tenderers	Kind of coal	Price per ton	Delivery at Liverpool
Bras d'Or Coal Co. Ltd..	Bras d'Or	$9 95	in bins
Southern Salvage Co. Ltd..	Springhill	9 45	in bins
John Connor..	Riv. Hebert	9 20	in bins
John Connor..	Riv. Hebert	8 60	f.o.b. cars
Greenwood Coal Co. Ltd..	Thorburn	8 50	f.o.b. cars
Emmerson Coal Co. Ltd..	Emerson	8 35	in bins
Maritime Coal Railway & Power Co. Ltd..	Bayview	8 10	f.o.b. cars

HISTORIC SITES

Mr. CHURCH:

1. How much has been spent on restoring historic sites in the province of Ontario during the past three years of record?
2. Of this sum how much has been spent on restoring the ruins of the battlefields of the War of 1812, 1813 and 1814 in the Niagara district?

Hon. Mr. STEWART:

1. Up to April 1 last, the total expenditure in connection with the restoration, preservation, marking and protection of historic sites in the province of Ontario was $8,518.79.

2. Up to April 1 last, $2,368.09 was spent in connection with the acquisition, restoration and marking of the battlefields of the War of 1812, 1813 and 1814 in the Niagara district.

MR. HUDSON, M.P.

Mr. HARRIS:

Is Mr. A. B. Hudson, K.C., M.P. member for South Winnipeg, the same A. B. Hudson, K.C., M.P., who

is a member of the legal firm of Hudson, Ormond, Spice & Symington, the latter member of said firm being the Mr. Symington who is paid by the government as counsel on the Home Bank Inquiry?

Hon. Mr. LAPOINTE: Yes.

HARRIGAN'S COVE, N.S.

Mr. BLACK (Halifax):

1. What public works have been or are being carried on at or near Harrigan cove, Halifax county, Nova Scotia?

2. Who is the resident engineer in charge of said work?

3. What foreman or foremen have been employed in connection with said work?

4. What are the names of all workmen employed on said work, what is the number of days work given by each, rate or wages and total amount paid to each?

Hon. Mr. KING (Kootenay):

1. During the past fiscal year repairs at a cost of $1,459.09 were made to the public wharf at Turner's island which is situated at the west side of Harrigan cove.

2. T. J. Locke, District Engineer at Halifax.

3. George Turner.

4.

	Days	Rate of Wages	Total Paid
J. H. Stowell Jones	32	$2 50	$80 00
Walter G. McDonald	22	2 50	55 00
Ernest Rudolph	31	2 50	77 50
Thos. C. Atkins	20½	2 50	51 25
Burton E. Atkins	25	2 50	62 50
Wm. Hartling	25	2 50	62 50
Wm. Fraser	28	2 50	70 00
Clarence Shiers	23½	2 50	58 75
Geo. H. Snow	18½	2 50	46 25
Frank P. O'Leary	24½	2 50	61 25
John A. Fraser	24½	2 50	61 25
Harris Cross	4	2 50	10 00
James Kirker	4	2 50	10 00

T. EATON DEPARTMENTAL STORES

Mr. DUNCAN:

1. Does the Post Office Department allow the T. Eaton Departmental Stores a commission on postage stamps used in their own business?

2. Does the Post Office department allow the T. Eaton Departmental Stores a commission on money order business?

3. If so, what total amount has been allowed the Eaton concern (a) on commissions on postage stamps; (b) commissions on money order transactions?

4. Are commissions or rebates similarly allowed to other departmental stores or mail order houses?

5. Has permission been granted to the Eatons to install a mail metering machine?

6. Where are these mail metering machines manufactured?

7. What per cent or rebate is allowed the Eatons on account of postage in connection with these machines?

8. Is any rebate or commission allowed the Massey-Harris concern on postage used in their own business?

9. Is any postage rebate allowed the Canada Life Assurance Company on its mailings?

10. Does the Post Office department propose to continue the giving of discounts to the Eaton Company to the prejudice of the smaller dealers and merchants of Canada generally?

[Mr. Harris.]

Hon. Mr. STEWART (for the Postmaster General):

1. The T. Eaton Co. receives commission on stamps sold in post offices located in their stores, being the same rate paid to postmasters in other city sub-post offices.

2. The T. Eaton Co. acting as a postmaster, receives regular commission on money orders issued, but not in money orders paid.

3. Discounts on postage stamps and commission on money orders allowed post offices in T. Eaton Co. stores for the fiscal year 1923-4: Postage stamps, $22,252.51; money orders, $2,018.48.

4. Similar commissions are allowed to postmasters in sub-offices in any place of business, including departmental stores and mail order houses.

5. Yes.

6. Stamford, Conn., U.S.A.

7. Two per cent on the first $10,000 of postage purchased by meter each year; one per cent on all purchases in excess of $10,000, these being the rates applied to all postage-meter contracts in view of the work saved the post office through the use of these machines.

8. No.

9. No.

10. There is no intention of treating sub-post offices conducted by T. Eaton Co. differently from other sub-post offices.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PERMANENT CIVIL SERVANTS

Mr. BENOIT:

1. What was the total number of permanent civil servants employed in the various public services of Canada, exclusive of railway employees, during each of the years: 1917, 1918, 1919, 1920, 1921, 1922, 1923?

2. What was the total amount paid to said employees during each of the above years?

PERMANENT OFFICIALS IN GREAT BRITAIN

Mr. CAMPBELL:

1. How many officials are permanently employed by the Canadian government in Great Britain, and what are their duties?

2. What is the total amount of the salaries and other payments, if any, made to them?

3. How many officials are temporarily employed in Great Britain by the Canadian government at the Empire Exhibition or elsewhere?

4. What are the duties of such temporary officials or employees and what will be the total cost of their services?

5. In addition to those already there, how many officials does the government propose to send to Great Britain in connection with the Empire Exhibition and what is the approximate cost?

6. Is the government bearing in part or whole the expenses of representatives of provincial governments?

7. What are the duties of these provincial representatives, and will be the approximate expenses?

UNOPPOSED MOTIONS FOR PRODUCTION OF PAPERS

OIL INDUSTRY IN ONTARIO

Sir HENRY DRAYTON:

For a copy of the instructions given Dr. Hume with reference to the oil industry in Ontario and all letters, statements, documents and evidence taken or collected by the said Dr. Hume with reference to the said industry and of the report made by Dr. Hume thereon.

MR. LOUIS GAUTHIER

Mr. DOUCET:

For a copy of all correspondence and other documents relating to the inquiry regarding Mr. Louis Gauthier, caretaker of the post office at Matane, Quebec; also a copy of evidence given at said inquiry, together with the investigator's report.

HISTORIC SITES AND BATTLEFIELDS

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, reports, estimates and other documents exchanged between the government of Canada and the Historic Sites Board and the Queen Victoria Niagara Falls Park Commissioners, relating to the improvement, care and betterment of the historic sites and battlefields, in the Niagara district, of the war of 1812-14.

MR. J. L. BELL

Mr. McQUARRIE:

For a copy of all correspondence in the possession of any department of the government concerning the removal or proposed removal from office of J. L. Bell, police magistrate at Whitehorse, Yukon territory.

MR. JAFFRAY

Hon. Mr. MANION:

For a copy of all correspondence, telegrams, letters and other documents in the possession of the government relating to the capture by bandits in China of Mr. Jaffray, of Toronto, and the efforts of the government to secure his release.

CIVIL SERVICE ACT, 1918, AMENDMENT

Hon. CHARLES STEWART (Acting Postmaster General) moved that the House go into Committee of the Whole to-morrow to consider the following proposed resolutions:

Resolved, That it is expedient to amend the Civil Service Act, 1918, by providing,—

1. That when it has been determined by the Governor in Council that any post office, the employees of which do not come under the Civil Service Act, is to be brought under the said act, any person then employed in such office who has had at least two years' postal experience, one of which has been gained in continuous employment in the office in question immediately preceding the date on which the status of the office is so changed, and who was at the commencement of his service within the limits of age prescribed for appointment to the civil service, shall, subject to the certificate of the commission that he possesses the necessary qualifications, be eligible for appointment under the said act irrespective of the principle of competition.

2. That the salary of such person upon appointment to the civil service shall not be changed, provided that such rate shall not be less than the minimum rate for the class, and shall not exceed the rate which he would have been in receipt of had he entered the service at the minimum rate for the class in which his position is placed and been allowed the usual annual increases to which his years of service would entitle him; and persons now employed in such post offices shall be considered for appointment to the civil service under the act to be based upon these resolutions irrespective of age.

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

Motion agreed to.

VANCOUVER HARBOUR

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries) moved that the House go into committee at the next sitting to consider the following proposed resolutions:

Resolved, that it is expedient to provide,—

1. That the Governor in Council may, from time to time, advance and pay to the corporation of the Vancouver harbour commissioners, in addition to the moneys heretofore authorized to be advanced to the corporation for the construction of harbour improvements by existing legislation, such sums of money, not exceeding in the whole the sum of $5,000,000, as may be required to enable the corporation to complete construction of terminal facilities in Vancouver harbour for which the plans, specifications and estimates have already been approved by the Governor in Council, and to construct such additional terminal facilities as may be, likewise, approved as necessary, further to properly equip the said port.

2. That during the period of construction of the works referred to, the interest payable on the debentures to be deposited with the Minister of Finance and Receiver General, under the provisions thereof, shall be deemed to be money acquired in the construction of such works and to be a part of the cost of the construction thereof, and may be paid out of the said sum of $5,000,000; the period of construction herein referred to shall begin on the day when the first advance is made on account of said construction, and terminate on such date as the Governor in Council shall determine.

3. That no advances shall be paid, as above provided for, unless such detailed plans, specifications and estimates for the works on which the money to be advanced is to be expended, as are satisfactory to the Minister of Marine and Fisheries, have been submitted to and approved by the Governor in Council before work on the same has been commenced.

4. That the corporation shall submit to the Minister of Marine and Fisheries for approval, monthly applications for such advances as they may be entitled to apply for, with statements, in detail, in such form as the Minister may direct, and, upon approval of same, authority for the payment of the amount applied for may be granted by the Governor in Council.

5. That the corporation shall, upon any advances being made, deposit with the Minister of Finance debentures of the corporation equal in par value to the advance so made, repayable within twenty-five years from the date of issue, and bearing interest payable half yearly at the rate of five per centum per annum.

6. That the principle and interest of the sums advanced to the corporation under the authority of

any Act founded on these resolutions shall be payable by the corporation out of all its property and assets and out of all its tolls, rates, dues, penalties and other sources of revenue and income, and shall rank as a charge thereon and have precedence in regard to payment next after payments provided for in section twenty-seven of chapter fifty-four of the statutes of 1913, equally with the advances made under authority of chapter twenty-nine of the statutes of 1923.

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

Motion agreed to.

HOME BANK INQUIRY

On the Orders of the Day:

Mr. MATTHEW McKAY (North Renfrew): Mr. Speaker, I beg to draw the attention of the government to an article published in the Ottawa Citizen, Toronto Globe and other papers, of Saturday, June 14th, which reads as follows:

Depositors prepare to move on Ottawa.

Proposed Toronto Deputation before Banking Committee numbers 150.

Toronto, June 13,—Meetings of Home Bank depositors in city branches took place to-night to prepare for the move on Ottawa, when the Banking and Commerce Committee of the House of Commons takes up the report of Mr. Justice McKeown, the royal commissioner.

W. T. J. Lee, chairman of the national executive, said to-night no reply had been received to the message asking if the Banking and Commerce Committee would receive a deputation representing all the depositors. The deputation, if sent, will number 150, but it is possible the Banking Committee at Ottawa may decide to proceed without any representations by a committee of the depositors.

May I ask the government if it is true that these gentlemen have received no reply to their requests.

Mr. THOMAS VIEN (Lotbiniere): I beg to state, on behalf of the standing committee on Banking and Commerce, that if this declaration was made by Mr. Lee, it was absolutely unfounded. On June 5 I received from the Secretary of the Home Bank depositors the following telegram:

Lieut.-Col. Thos. A. Vien, K.C., M.P.,
Chairman, Banking Committee, Ottawa.

The executive committee of the Home Bank depositors association desire an opportunity to lay the facts of this matter before your committee next Thursday or on Tuesday, Wednesday or Thursday of the week following, the earlier the date the better. We would like time for about three speakers to be heard. Would be obliged for as early a reply as possible. Letter following.

I. E. WELDON,
Secretary, Home Bank Depositors'
Relief Committee.

The letter was received the following day confirming that telegram. I immediately ordered the clerk of the committee to answer, which he did on June 6, as follows:

I. E. Weldon,
Secretary, Home Bank Depositors'
Relief Committee,
8 King Street West, Toronto.

Your telegram and letter of fifth instant addressed to Chairman, Banking and Commerce Committee will be placed before committee at their first meeting on Wednesday next, eleventh instant, and their decision communicated to you immediately.

S. R. GORDON,
Clerk to Committee.

And by a letter of the same date, confirming that telegram, the clerk of committee wrote as follows:

Enclosed is confirmation of telegram sent you this evening in reply to your telegram and letter to the chairman of the committee.

Immediately upon the committee deciding on what day they can hear you and the number of speakers I will be glad to advise you.

In the meantime, I am mailing to you as secretary of the Relief Committee a printed copy of the evidence taken to date by the committee; also the "Orders of the Day" for Wednesday containing the "Notices of Motion."

Your truly,

S. R. GORDON,
Clerk to Committee.

On June 11, pursuant to this letter of June 6, the clerk of committee was ordered to send the following telegram, which he duly sent.

I. E. Weldon,
Secretary, Home Bank Depositors' Committee,
8 King Street West, Toronto.

House of Commons Banking Committee to-day decided hear three representatives your organization on a date to be decided after committee has received Mr. Justice McKeown's report. You will be advised of date set.

S. R. GORDON,
Clerk to Committee.

And on the 11th of June we received an acknowledgement from Mr. Weldon which reads as follows:

I beg to acknowledge receipt of your telegram of June 11th advising us that the committee decided to hear three representatives of the Home Bank depositors' organization on a date to be decided after committee has received Mr. Justice McKeown's report and that we will be advised of the date set.

We see by the press that Justice McKeown's report is now in the hands of the government and we presume therefore it will soon be before your committee.

Thanking you for your prompt advice of the committee's decision.

Yours very truly,

I. E. WELDON,
Secretary, Home Bank Depositors'
Relief Committee.

I therefore was exceedingly surprised on Saturday last when I read in the Citizen and also in the Globe that Mr. Lee, Chairman of

the National Executive Committee had stated at a meeting of depositors that no reply had been received to the message asking that the Banking and Commerce committee should receive a deputation representing the depositors, and moreover that it might be the decision of the committee to proceed without any representation by the committee of depositors. I immediately wired Mr. Lee on June 14, as follows:

I notice in Citizen this morning reference to your declarations of last night that no reply had been received to the message asking if the Banking and Commerce Committee would receive a deputation representing the depositors. Kindly inquire from Mr. Weldon your secretary, if he did not receive telegram and letter dated June sixth and June eleventh. We have his acknowledgment dated June twelfth. Kindly correct impression given to the press that committee did not answer your message.

THOMAS VIEN,
Chairman.

I confirmed that by letter of the same date, as follows:

I beg to enclose herewith confirmation of my telegram of to-day. It is with some surprise that I have read in the press this morning that no reply had been received to the message asking if the Banking and Commerce Committee would receive a deputation representing all the depositors. You will find by the copy of the correspondence exchanged and which I beg to attach hereto, that the committee has immediately answered by wire and letter.

May I further state that the committee has deemed it advisable to peruse Mr. Justice McKeown's report before it receives you so as to be able better to appreciate your representations when your delegation is received.

I may state that we shall endeavour to fix the 19th or the 20th to receive your delegation.

The committee will sit on Tuesday the 17th instant and will then fix a date and you shall be informed immediately.

To-day I received the following telegram from Mr. Weldon:

Have been away from office owing to illness past week just learned of newspaper report Lee interview stating no reply received our message asking interview Banking and Commerce committee. Cannot understand this report which we greatly regret. All our communications to you and Banking and Commerce committee have received prompt and courteous reply. Will use every effort to correct false impression.

I have received also from Mr. Lee the following telegram:

Just received your wire. Made no such declaration to press. Explain to committee. Will be in Ottawa Tuesday morning and will see you on arrival.

The House will note that Mr. Lee does not deny having made the declaration to the meeting, but denies only having made it to the press. As the Citizen, the Toronto Globe and several other newspapers contained the information in identical language, I think that we can fairly assume that the declaration was made to the meeting of depositors. I am glad that the interpellation of my hon. friend gives me an opportunity of correcting the wrong impression given to the public. I do not believe that Mr. Lee intended wilfully to mislead the public; but the least that can be said, if he did make such a declaration, is that he should have taken the trouble of inquiring from the secretary of the executive committee as to the exact facts before making a statement which I consider unjust towards parliament and the committee.

SALARIES OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I understand the Prime Minister to have said that if there is to be any alteration in the schedule of postal workers' salaries as revised by the Civil Service Commission, it will have to be made by parliament. In view of the widespread dissatisfaction with the reduction in salaries as so provided by that schedule, I should like to ask the Prime Minister if he will indicate in what way parliament can deal with this matter and when?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might take advantage of the question which my hon. friend has asked me just to read to the House the formal expression of view given to the government by the Department of Justice as to the power of the government to deal with any matter of revision and increase of salaries of members of the Civil Service. I submitted to the Department of Justice in May last two questions: First, whether under the law the power of revision and increase of salaries of members of the Civil Service resides in the Civil Service Commission or, second, whether the responsibility therefor resides in His Excellency in Council. The answer made and signed by the Deputy Minister of Justice, Mr. Newcombe, is as follows:

My answer is that the classification of the Civil Service including the several rates of compensation as prepared and signed by the Civil Service Commission of first October, 1919, was submitted to parliament, ratified and confirmed and stands, subject to such amendments in respect of rates of compensation as may be made by the Civil Service Commission with the approval of the Governor in Council. See sections 42 and 45 B of the Civil Service Act.

The Governor in Council has, in my opinion, no authority to regulate rates of compensation independently. He may approve the rates submitted by the commission for approval, and the rates will thus become effective, but he has no authority to approve or sanction any rate in excess of that which is recommended by the commission. Such an increase can be sanctioned only by parliamentary authority.

I think it is well that not only the House but the country should understand clearly that, as respects any revision of salaries of civil servants, the government stands precise-

ly in the same relation to the Civil Service Commission as it does with respect to most appointments to the service. In order to remove from the arena of politics, as it is termed, any control by the government in the matter of appointments, this parliament, under a previous administration, gave to the Civil Service Commission full power of appointment of most of the members of the Civil Service. Parliament also gave to the commission like powers with respect to revision of salaries of civil servants, so that the power of revision of salaries of civil servants is taken away entirely from the government. This illustrates wherein to some extent we are being governed by commission and not in accordance with a system of a responsible government in the strict meaning of the term. The government, appreciating the position, took care at the outset to associate with the commission, the deputy ministers and the Board of Audit in the matter of the revision of the salaries of civil servants, and in particular the salaries of postal employees which were the first to be referred. On each of two occasions that a report was made by the commission, having learned that the report was not acceptable to the postal employees, the government took such steps as were possible to secure a further consideration by the Civil Service Commission of their report. The government has gone in that direction just as far as it is possible to go in the matter, and as my hon. friend has said, if there is to be any further change in salaries, they will have to be made by parliament itself. The government is placed in the position, either of asserting that it is not prepared to accept the legislation which is on the statutes and of being obliged in consequence to ask parliament to enable it to revise or amend that legislation, or to stand by the legislation as it appears. We have not felt, for the present, at least, that we would be justified in asking parliament to amend or repeal the statute under which the civil service commissioners have acted, nor to take action in any way other than in accordance with the recommendations of the commission.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I think the statement made by the Prime Minister just now would have been more appropriately made on an occasion when a discussion might follow. I do not take exception at all to the wording of the opinion of the Deputy Minister of Justice, nor do I take exception to the statement of law as made in that opinion; but I do not think the occasion was opportune to make a veiled attack either on the present system or on the commission at a time when debate is necessarily cut off on the Orders of the Day. If the government desire either an alteration in the general scale or a change in the system, there is in both cases a way in which the government can bring that about. If, on the other hand, the government feel that what the commission has recommended is not fair and just, the government owe it to themselves to take such means as are in their power to remedy the situation.

If, though, the government feel that the scale recommended is fair and right—and their approval would seem to indicate that—then the government should not disavow its responsibility, and if it assumes its responsibility, in the event of improper interference with that responsibility, I am prepared to back the government. I do not like, however, the continual habit of shunting the blame on someone else, unless, at least, it it said that those have acted wrongly.

Mr. MACKENZIE KING: I do not think I can let pass the remark of my right hon. friend to the effect that in any way there was in what I said a veiled attack on the commission. I had not the slightest intention of making any kind of attack, nor do I think my remarks are capable of that interpretation. What I think is important is to make clear to those most affected and to the country the exact position in which the government have been placed by the law respecting the Civil Service Commission as that law stands on the statutes at the present time.

Mr. MACLEAN (York): In view of the probability of there being some trouble between the government and the men, is there not some action open to the government which might meet the situation?

Mr. MACKENZIE KING: The government will be pleased to receive from my hon. friend or any other hon. gentleman any suggestion he wishes to make in that regard.

Mr. MEIGHEN: Is the government not able to take action itself?

Mr. MACLEAN (York): If they cannot, there is not responsible government.

THE SOVIET AND UKRAINIAN REPUBLICS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): In view of the case now before the

Montreal courts, will the Prime Minister state whether the agreement between England and Russia of July 3, 1922, was endorsed by Canada? Whether the government of Canada has definitely recognized the union of the Soviet socialist republic? And, further, whether the government recognizes the so-called Ukrainian People's Republic?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I consider my hon. friend's question as being in the nature of a notice? I shall have to look into the matter and give it some little thought before undertaking to give an answer.

Mr. MEIGHEN: I would suggest that we have an understanding now that our government is not in the recognizing business.

POST OFFICE ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil) (Acting Postmaster General) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Post Office Act by providing that the Postmaster General may prescribe and enforce such regulations as to letters directed to be registered, as to him seem necessary, in respect to the registration of letters and other matter passing by mail, and to the charge to be made for the same, and to compensation for loss not to exceed one hundred dollars in any one case.

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

Mr. STEWART (Argenteuil): This will simply put registered mail and small articles on the same basis as parcel post, and it gives to the department the authority to fix the charges. At the present time the maximum indemnity paid on the loss of registered mail is $25, and for the registration of such mail the Post Office Department charges a fee of 10 cents. In connection with registration it is proposed to charge a fee of 10 cents on a valuation of $25, 20 cents up to $50, 30 cents up to $75 and 40 cents up to $100. The purpose of the resolution is merely to unify the system as between registered mail and parcel post.

Mr. MEIGHEN: Is this resolution complete and effective? It does not specify in any way what the regulations are to be.

Mr. STEWART (Argenteuil): It gives discretion to the department. I have given the list of fees which are now charged.

Mr. MEIGHEN: Should not the resolution set out the effect of the regulations which are proposed? I do not see the value of a resolution if it merely says that the minister may make such regulations as he deems advisable.

Mr. STEWART (Argenteuil): My hon. friend will notice that the resolution fixes the maximum compensation.

Mr. MEIGHEN: There is only one material point mentioned.

Mr. STEWART (Argenteuil): I have been informed by the Post Office Department that so far there has occurred the loss of only one article out of every forty thousand registered; and while I have quoted the larger fees in force in relation to parcel post, it is anticipated that probably these fees can be greatly reduced. Therefore the fees are now fixed, although the maximum of compensation is stated in the resolution.

Mr. MEIGHEN: Does the minister say that only one loss has occurred.

Mr. STEWART (Argenteuil): That is the information.

Mr. MEIGHEN: I think I must have lost that one.

Mr. STEWART (Argenteuil): I am only giving the information I have received.

Mr. MEIGHEN: The minister is not referring to registered mail but registered articles?

Mr. STEWART (Argenteuil): Registered articles, yes.

Mr. MEIGHEN: Oh; and this is intended to increase the amount that may be fixed?

Mr. STEWART (Argenteuil): This is to give the necessary power to fix the fees.

Mr. MEIGHEN: What fees are proposed now?

Mr. STEWART (Argenteuil): The fee in effect at the moment is the one I have given.

Mr. MEIGHEN: And are these the fees that are now proposed?

Mr. STEWART (Argenteuil): It is anticipated that they may be reduced; hence they are not fixed in the amendment.

Mr. MEIGHEN: I understand that at the present time the liability was limited to $25.

Mr. STEWART (Argenteuil): On registered articles.

Mr. MEIGHEN: If the maximum liability is $25 how can there be a fee for a value up to $100?

Mr. STEWART (Argenteuil): This is to give the minister discretion—

Mr. MEIGHEN: I know that; but the minister is giving the present fees.

Mr. STEWART (Argenteuil): On parcel post.

Mr. MEIGHEN: Yes, and the liability now is limited to $25.

Mr. STEWART (Argenteuil): On registered articles.

Mr. MEIGHEN: Then why should there be, as exists to-day, a higher fee for a $100 article when the limit of the liability is only $25 in any case?

Mr. STEWART (Argenteuil): There is no higher fee than 10 cents in the case of a $25 article.

Mr. MEIGHEN: The minister has not got my point. He gave us the fees now in force and he says that they range from 10 cents in the case of a $25 article to 40 cents in the case of an article of $100 in value. But he says that the liability is only $25 no matter what the value of the article may be.

Mr. STEWART (Argenteuil): Yes. But if the registration is more than $25 the higher fees are charged accordingly.

Mr. MEIGHEN: And up to what limit can one insure now?

Mr. STEWART (Argenteuil): Up to $100.

Mr. MEIGHEN: But I understood the minister to tell us that it was only $25.

Mr. STEWART (Argenteuil): That is what I am seeking to amend at the present time in so far as registered articles are concerned. The insurance of parcel post regulations went into effect in 1921 and we are making the law now apply to registered articles; registered articles which now carry a maximum of $25 we are making comparable with what applies to parcel post.

Mr. MEIGHEN: That is to say, in connection with registered articles the maximum liability at the present time is $25 and it is proposed that it shall be $100, the same as with parcel post.

Mr. STEWART (Argenteuil): Yes.

Mr. FORKE: I do not understand the difference between registered mail and mail that is insured.

Mr. STEWART (Argenteuil): Insurance is probably not the right term. If you register a letter and it is lost you recover at the present time a maximum of $25, and the same applies to registered articles. Under the amendment of 1921 we can insure a parcel up to the value of $100. But we cannot accept registration of a letter for more than $25.

Mr. FORKE: I understand that. But I have a specific case: I went to register an article and was told it would be much cheaper to insure it. What is the difference? I do not get the point. I was told that the insurance rate was only half the registration rate.

Mr. STEWART (Argenteuil): For what amount did you insure?

Mr. FORKE: About $10.

Mr. STEWART (Argenteuil): This amendment is to permit us to increase our guarantee for registered articles.

Mr. FORKE: You cannot explain that point?

Mr. STEWART (Argenteuil): I confess that I am not sufficiently familiar with the details of the department to do so. By this amendment the department will be able to give a greater return for loss.

Mr. MEIGHEN: Is not the difference this?—That a certain class of article can go by parcel post, and another class can go by registered mail. Insurance applies to each class, but, in respect of parcels, the value for which the department is liable is $100. This amendment is to make the value for which the department is liable in respect of registered mail $100, too.

Resolution reported, read the second time and concurred in. Mr. Stewart (Argenteuil) thereupon moved for leave to introduce Bill No. 189, to amend the Post Office Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS GUARANTEE ACT

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 amend the Canadian National Railways Guarantee Act, 1923, chapter 37, by repealing subsection four thereof and providing,—

1. That nothing contained in the said act shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by the said act or some other act of parliament, and

2. That where parliament has authorized expenditures on equipment to the extent of twenty-five per cent of the cost of such equipment, the company may make or cause to be made one or more equipment issues for the remaining seventy-five per cent of such cost.

Mr. MEIGHEN: Will the minister explain the effect of the resolution first, please?

Mr. GRAHAM: Mr. Speaker, it will be remembered that last session a bill was introduced by the Minister of Finance (Mr. Fielding) with reference to these guarantees, and that it was subsequently amended in the Upper House. The Justice department now casts grave doubts on our power to guarantee securities at all, and the purpose of this bill is to cure those doubts without taking away any of the restrictions imposed by the former act.

4 p.m.

When an equipment issue is to be guaranteed parliament is called on to vote twenty-five per cent of the issue, if it is to be guaranteed by the government. The second clause of this resolution is to provide that when that twenty-five per cent is voted by parliament it shall constitute authority to the company to issue the remaining 75 per cent. Perhaps it would be as well to put on Hansard the opinion of Mr. Ruel as he gave it to me:

Paragraph 4 of section 2, of this last mentioned bill reads as follows: "Nothing herein contained shall be construed as granting power to guarantee any securities the issue of which has not been authorized by parliament."

The trouble with this paragraph 4 was that it prevented, in the opinion of the Department of Justice, the issue of equipment securities for the reason that equipment securities are obligations of the Canadian National Rolling Stock Company, Limited, which is a company incorporated under the Dominion Joint Stock Companies Act. General power is given the Dominion Joint Stock Company to issue securities, but the Justice department considered that paragraph 4, as above quoted, was dealing with specific authority to issue a specific amount of securities and that the general power in the general act to issue securities did not comply with the wording of the paragraph. Consequently we propose to amend the paragraph to read this way:

"Nothing herein contained shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by this act or some other act of parliament."

The "some other act of parliament" covers the provisions of the Companies Act, and we have added the words "this act" so as to overcome the objection which was raised, but not seriously pressed, that the provisions of paragraph 4 destroy the power to issue securities given to the company by the Canadian National Railways Act itself.

For the purpose of further restricting the company in its issue of equipment securities, I have added the second clause to the draft bill to the effect that where parliament has authorized expenditure on equipment to the extent of 25 per cent of the cost, the company may make, or cause to be made, one or more equipment issues for the ramaining seventy-five per cent of such cost; that means that in order to make equipment issues in the future we will have to go to parliament and obtain an appropriation of the 25 per cent down payment, which is always made in cash. When this appropriation is passed no further legislative authority is necessary to enable us to issue securities and, if deemed desirable, to have them guaranteed for the remaining seventy-five per cent.

The Justice department questions the right of the company to issue any equipment debentures at all since the legislation of last session, and also the right of the government to guarantee such issues.

Mr. MEIGHEN: The last few sentences of the minister's explanation hit the bull's-eye, because if the Justice department questions the right of the company to issue these securities, certainly this clause would not in any way amplify that right. What the Justice department apparently questions is the power of the government now to guarantee securities so issued unless such issue has been authorized by certain acts. Apparently, if I got the opinion right, it was this, that the mere use of the words "by parliament" would be held to be a parliamentary act attributable to the Canadian National Railways, and not a parliamentary act empowering any of these subsidiary companies, including the rolling stock company, to issue securities. May I ask the minister before we go into committee, is the original clause 1 the Senate amendment of last session?

Mr. GRAHAM: It is clause 4.

Mr. MEIGHEN: Part 1 of clause 4?

Mr. GRAHAM: Subsection 4. A bill passed this House in another form and was made to take its present form by the Senate.

Mr. MEIGHEN: Is it clause 4 of the amendment?

Mr. GRAHAM: Yes, subsection 4.

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

Sir HENRY DRAYTON: I had a question on the order paper to-day which deals in a practical way with this legislation. The National Railways, under their charter of incorporation, have among many other things given to them the right of issuing bonds to the extent of $75,000 per mile.

Mr. GRAHAM: Does that include equipment?

Sir HENRY DRAYTON: No, the equipment is apart from that entirely. The equipment issues are made under general power, taking advantage of the trust in New York. Of course, it is quite obvious, Mr. Chairman,

that if there is a large amount of that $75,000 per mile still unissued, this House is practically giving a blank cheque under the proposed legislation to the government in connection with endorsation. It has been said, however, by the railway officials that there is not much left of that $75,000 per mile. If there is not the right of issue left under the general clause, the situation then would be, as I understand it, under this legislation, that parliamentary authority would have to be obtained for further loans and guarantees. Of course, that is how we think it ought to be. The issue between this opposition—I beg my hon. friend's (Mr. Forke's) pardon; I should say the whole opposition—and the government was that under the method in which we carried on business, we took each year, through the railway vote, the right to guarantee these securities.

Mr. GRAHAM: Not equipment.

Sir HENRY DRAYTON: Not equipment. We took the right to guarantee these securities, our point being that in connection with capital expenditure, and guarantees given for capital expenditure, further commitments, the right to do that must of necessity rest in parliament. My hon. friends did not agree with that last year, and they got legislation which would enable them, irrespective of the right of guarantee being covered by the annual vote, to get, and they did get, the right to give guarantees to the full extent that the company had the right to issue bonds. There was a little amendment made in the Senate last year, which, while it did not go the full length that this opposition asked in this matter, yet made it clear that the right of guarantee was a right which could only be exercised as and when there was the direct right of issue given. The Department of Justice has ruled, as I understand it, that the right of issue must be a specific right, and cannot be supported by any general power. The present amendment would allow the general right as sufficient. Now, what I wanted to do was to find out what the general right meant. If the truth be that practically all of that right of issue to the extent of $75,000 per mile has been exhausted, we are discussing merely an academic issue. But if, on the other hand, that right exists, or in large part exists, we would feel it incumbent upon us to oppose this legislation.

In connection with the matter of equipment to which my hon. friend has referred, that was formerly handled in a different way. Undoubtedly, as I think has already been expressed during this session by the hon. Minister of Railways, the right to endorse equipment securities results in a better rate being secured when equipment securities are sold in Canada, for the simple reason that the Philadelphia trust idea is not thoroughly understood by Canadian financiers and the Canadian investing public, and so they are looking for a government guarantee; but in the United States, on the other hand, it makes no difference at all. Millions on millions of dollars worth of bonds are sold there under that plan. Under that plan, in the first instance, the road has to put up twenty-five per cent of the equipment value, and I understand that so far as that is concerned, my hon. friend is perfectly willing that that should be done. And with that twenty-five per cent put up, a trust deed is made which reserves the title in the whole of the equipment in the trustee for the bondholders, and a satisfactory sinking fund is provided for which must retire the claim while the equipment is still in active operation. I think we will have no difficulty therefore in connection with the question of equipment.

To repeat, for it is a somewhat involved situation: If the original bonding rights of $75,000 per mile for the Canadian National Railways have been practically exhausted, why then, of course, my hon. friend's government have to come here just as we used to come here, for authority, before they make any issue. If, on the other hand, it exists to a large extent—and the officials all tell me it is practically exhausted—then our attitude must be as it was last year.

Mr. GRAHAM: I am glad my hon. friend agrees as to the equipment issue. It is better, I imagine, in order to get the best market price, to have the power to guarantee equipment issues, provided that twenty-five per cent has been voted by parliament, even if the guaranteeing power is not exhausted. As to the other point, I understand that Mr. Ruel is sending my hon. friend some information regarding that. If it has not arrived—

Sir HENRY DRAYTON: I have not got it.

Mr. GRAHAM: —I would suggest that we get this in the form of a bill, and we will not proceed with it further until my hon. friend gets the information.

Sir HENRY DRAYTON: As long as we have a clear understanding that we can discuss the whole matter, and without waiving any right as to the principle of the resolution or anything else.

Mr. GRAHAM: Surely.

Mr. MEIGHEN: Is the minister still determined to keep the amount of these guarantees out of the estimates?

Mr. GRAHAM: The amounts of the guarantees such as we had last year, under the Canadian National Railway Act, were in the estimates. The amounts of the regular guarantees under the $74,000,000 were in the estimates last year.

Mr. MEIGHEN: The estimates had been brought down by the present Minister of Finance when this fine bill of last session went through, but inasmuch as the fine bill did not do its work, the government was not able to avoid using the estimates. But what I want to know is this: Is the minister prepared to undertake that, in connection with any guarantees to be given under the amended legislation, the amount of them will be included in the estimates as well as, of course, a statement of the destination of the money?

Mr. GRAHAM: I do not think there is any idea of anything else, except that construction of the branch lines is provided for in other legislation; I do not think my right hon. friend refers to that. This is not an effort in any way to get away from the usual practice we adopted last year of bringing down the ordinary expenditure of the Canadian National Railways, to be provided either by grants from parliament or by bonds guaranteed.

Mr. MEIGHEN: As regards the special legislation for branch lines we took our stand on it, but we were voted down, and we are helpless for this session; the minister is unrepentant there. But in respect of the legislation now being amended we took the same position last year and the minister receded. We moved an amendment, as the minister will remember, to provide that the amount of any guarantees given should be included in the estimates. Now, the minister was compelled to use the estimates last year because the act was unworkable. If our amendment had been inserted he would have had to use the estimates anyway. I take the minister's word to-day to mean that as respects this class of guarantee, this class of expenditure, he is not so obdurate as he was last session and will probably accept a specific amendment to that effect.

Mr. GRAHAM: My right hon. friend has got, I would not say, alarmed, but mixed. I think I took no part in the discussion last year because the bill was introduced by the Minister of Finance.

Mr. MEIGHEN: I mean the government.

Mr. GRAHAM: I took no part in the discussion. The bill was altered in such a way that the Justice department informed us that our powers of guarantee are impaired, perhaps destroyed. There is no idea in the minds of the government, or of the management, of getting away from the usual practice of putting the ordinary expenditures whether by loan, or guarantee, or cash, in the estimates.

Mr. MEIGHEN: I am very pleased to hear the minister make the statement, and I hope he will support any necessary amendments to see that that is always done.

Mr. CALDWELL: We are to understand then that if parliament provides twenty-five per cent for equipment for the Canadian National Railways it would mean $10,000,000 on an issue of $40,000,000, and that the Board of Directors would issue debentures for the balance?

Mr. GRAHAM: As already explained, the amount to be voted is twenty-five per cent of the issue. The remainder will be taken up by the public.

Section agreed to.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 190, to amend the Canadian National Railways Act, 1919.

Motion agreed to and bill read the first time.

INDIAN RESERVE LANDS

Hon. CHARLES STEWART (Argenteuil) (Superintendent General of Indian Affairs) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient,—

(1) to confirm an agreement for the settlement of certain questions between the government of Canada and Ontario respecting Indian Reserve Lands, made the 24th March, 1924, defining the respective rights of each touching the disposition of lands in Indian Reserves in the Province which are surrendered by the Indians in order that they may be disposed for the benefit of the Band;

(2) to authorize the payments to the Province provided for in the said agreement of any balance from proceeds of the sale or other disposition of the lands or any portion thereof, together with accrued unexpended simple interest thereon and of one-half of the consideration in the case of the sale, lease or other disposition of mining claims staked on such reserve, or of lands in which minerals are included or may exist or be supposed to exist; and

(3) to provide that no disposition shall be made of water-power in any such Indian Reserve of a greater capacity than five hundred horse-power except by special agreement, and that the provisions of the Bed of Navigable Waters Act, Revised Statutes of Ontario, 1914, chapter 31, shall apply to grants of such lands or

minerals heretofore or hereafter made under the Great Seal of Canada or otherwise under the direction of the government of Canada.

Mr. MEIGHEN: Will the minister tell us, before we go into committee, what designs he has on the Indians?

Mr. STEWART (Argenteuil): No designs whatever. This has always been a controversial subject between the province of Ontario and the Dominion. Probably if I read a memorandum that has been prepared on the matter it will give a synopsis of the situation:

1. The respective rights of the Dominion of Canada and the provincce of Ontario in relation to Indian lands within the province first came before the Judicial committee of the Privy Council in 1888, when it was held (in St. Catharines' Milling Company vs. The Queen, 1888, 14 App. Cas. 46) that lands surrendered by the Indians to the Crown subsequent to Confederation belonged not to the Dominion, which had negotiated the treaty, but to the province.

2. Fourteen years later the question again came before the Judicial committee in a slightly different form, in Ontario Mining Company, Limited, vs. Seybold, 1903, A.C. 73. To that appeal the Dominion was a party, but just before the argument an agreement between Mr. Blake, representing the province, and Mr. Newcombe, representing the Dominion, was entered into, and the latter took no part in the argument, which was followed by a judgment in effect confirming the conclusion arrived at in the earlier appeal.

3. The agreement (known as "counsel's agreement", and dated 7th July, 1902), provided that, without prejudice to the legal rights of either the province or the Dominion, and merely as a matter of convenience, the Dominion should, upon their surrender by the Indians, have power to dispose of lands included in reserves in Ontario, the Dominion to hold the proceeds subject to the rights of the province. It was further provided that the question whether this right of disposition by the Dominion should extend to the precious metals should depend upon the instruments and circumstances and law relevant to each particular piece of land.

4. This agreement has been enacted upon and dispositions made by the Dominion, but no step has ever been taken to settle the legal position even as to the surface and base metals, and the uncertainty as to the precious metals has stood in the way of the disposition of these, with the result that such precious metals as the reserves may contain have in fact not been dealt with, to the detriment both of the Indians, who would receive the benefit of the disposition, and of the province, which does not obtain the benefit of any taxation on the output of mines, which it might otherwise do.

5. It was not until 1920 that the strictly legal position of lands in Indian reserves surrendered for sale was discussed before the Judicial committee. Then in a case from Quebec (Attorney General for Quebec vs. Attorney General for Canada, 1921, A.C. 401), it was held that a patent by the Dominion of lands included in a reserve and surrendered by the Indians in trust for sale was ineffective, since upon the surrender the title passed, not to the Dominion, but to the province. It is probable that the strictly legal position in relation to reserves in the province of Ontario is identical with that in Quebec, although practically the situation is altered by counsel's agreement. The statutory confirmation of this agreement would, however, be highly convenient to both the Dominion and the province, and obviously that confirmation should extend to the settlement of the uncertainty in relation to the precious metals.

6. The geological formations in Ontario are such that precious and base metals ordinarily occur together and are only separated in the course of refinement. To deal with the precious metals consequently involves dealing also with the base metals, and the arrangement proposed by the present draft agreement is that upon the sale or other disposition of minerals lands one-half of the total proceeds should belong to the Dominion for the benefit of the Indians, and the other half to the Province.

7. In addition to dealing with the minerals and to confirming counsel's agreement, the present draft agreement also contains a new provision that the capital sum received by the Dominion by way of consideration for the disposition of any interest in lands in reserves may be expended for the benefit of the Indians and that the province, on the extinction of Indian right, becomes entitled only to so much of the capital as may remain unexpended.

That is in brief a sketch of the difficulties the amending legislation has to cover and a statement of what the bill to be founded in this resolution proposes to do.

Mr. FORKE: I have not observed, Mr. Chairman, that there is any definite consent on the part of the Indians to the proposed agreement. Have they agreed to this? Some hon. member says they have no say in the matter.

Mr. STEWART (Argenteuil): This has been a very vexed question. It is largely one not affecting the Indians so much as affecting the dispute as to final ownership.

Mr. FORKE: Between the provinces and the Dominion?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: It was I who made the comment that I did not think the Indians had any say because they are not affected. I do not see that they have the least concern as to where the legal title is, once it passes from the Indians. The Indian has a say, of course, before it passes from him. I was rather surprised to hear my hon. friend say that the Indians had agreed.

Mr. STEWART (Argenteuil): I presume the Indians would be better satisfied if they had the disposal of the money which comes from the sale of the land. After the sale of the lands all the proceeds are to be used in the interests of the Indians, unless a tribe of Indians becomes extinct, and there may be a small portion of the revenue coming from the land, which should go to the province.

Mr. MEIGHEN: It is between the provinces and the Dominion, and not between the Indians and the Dominion at all. Do

I get the real meaning of it? By reason of the judicial opinion of the Privy Council expressed back in the eighties, the surrender of Indian lands in provinces, after those provinces came into confederation, vested the title to the surrendered lands in the provinces instead of in the Dominion. Consequently some action in another form came before the Privy Council in 1902; and instead of giving judgment an arrangement was made between the counsel concerned, Mr. Blake and Mr. Newcombe, the basis of which arrangement is to be ratified and made law by this bill, in so far as Canada is concerned. Necessarily it will, as well, have to be made law by the provinces concerned. Therefore the only matter left to be understood is, what the arrangement is. Have I got the minister's words or his memorandum aright? —the arrangement in effect was this: That the lands, though the property of the province after surrender by the Indians, should be administered by the Dominion for the benefit of the Indians who surrendered it, and when the time arrived that there was an extinction of the Indians' rights by extinction of the tribe, or by some other means, if it ever occurred, the remainder left over should pass to the provincial government. I understood the minister to say it passed to the provincial government?

Mr. STEWART (Argenteuil): Yes, my hon. friend is right. Clause 7 reads:

> In addition to dealing with the minerals and to confirming counsel's agreement, the present draft agreement also contains a new provision that the capital sum received by the Dominion by way of consideration for the disposition of any interest in lands in reserves may be expended for the benefit of the Indians and that the province, on the extinction of the Indian right, becomes entitled only to so much of the capital as may remain unexpended.

We have control of the money so long as there is any Indian in existence. We may dispose of the land and use it, if it is in the interest of the Indian, but when the Indian is extinct, and there is no further method by which the government can expend the money in the interests of that tribe, then the province becomes entitled to only so much of the capital as remains unexpended.

Mr. FORKE: I do not know that I understand it, and I would really like to. Do I understand that some of these grants of land were made by the British Crown to the Indians before confederation, and these Indians agreed to give up the title to the land?

Mr. STEWART (Argenteuil);: I think there were treaties in effect between the Indians and the representatives of the government.

Mr. FORKE: The minister means between the British Crown and the Indians. I think there is more in this than appears on the surface.

Mr. BOYS: I thought the land was reserved and not granted to the Indians.

Mr. STEWART (Argenteuil): I said there were treaties made.

Mr. BOYS: But it involves the question of title. The question was as to whether the lands were granted to the Indians. I always understood that there were no grants but reservations.

Mr. STEWART (Argenteuil): If my hon. friend is correct in his interpretation the land is reserved to be set aside for the Indians and to be administered by the Crown.

Mr. BOYS: The title remaining in the Indians?

Mr. STEWART (Argenteuil): Yes.

Mr. BOYS: It could not be a grant.

Mr. FORKE: I have seen an agreement between the government of Queen Victoria and the Indians, and the agreement was practically granting the lands to the Indians. I do not know the exact form in which it was drawn up, but I have never seen anything in the agreement which provided that any day the government could step in and say, "You cannot have this reserve any longer." The Indians have a title of some kind.

Mr. STEWART (Argenteuil): There is no doubt that as long as there are any Indians the reserves which are set apart for the Indians are reserved for them. But what we are seeking to deal with is the case where the Indian has no longer any interest in the land.

Mr. FORKE: Has the Indian agreed to it?

Mr. STEWART (Argenteuil): If he is dead you cannot get his agreement. As long as he is alive he has an interest in it.

Mr. BOYS: I suppose there will be concurrent legislation in the provinces. What is the proposition? Is the title to be in the Dominion?

Mr. STEWART Argenteuil): No. The title is not interfered with. The judgment of the Privy Council indicated that such title to the land as existed was probably in the province, but the land was reserved for the use

of the Indians. We are making an arrangement whereby, when the land ceases to be any longer required for the use of the Indians, if that times comes. the province becomes entitled to what is left. Probably I should put it in this way: Under the terms of the agreement the Dominion government have control, and they may sell the lands and use the money under the provisions of the Indian Act and do what seems to be necessary in the interests of the Indians; but when the time comes that there are no more Indians of that particular tribe occupying that particular land, and there is no reserve left, the funds that may remain will go to the hands of the province.

Mr. BOYS: Evidently the sale would be made by the province and the proceeds of the sale would be handed over to the department for its administration on behalf of the Dominion.

Mr. STEWART (Argenteuil): The sale would be made by the Dominion.

Mr. BOYS: Then the provinces are agreed that the title for the purposes of this provision shall be in the Indians. They shall make the sale and use the money for the benefit of the Indians;—the title must be either in the Dominion or in the provinces, I understood the minister to say the title was really in the provinces.

Mr. STEWART (Argenteuil): My hon. friend is raising the point as to who issues the title in the case of sale during the life of the Indians?

Mr. BOYS: Yes.

Mr. STEWART (Argenteuil): We have full control to expend capital moneys derived from the sale. Mr. Biggar drafted this legislation, and he was consulted generally in connection with the agreement. Section 7, which I have just read covers it pretty well. The province comes in only when the tribe is extinct. When the extinction takes place, if there are any sums remaining from the proceeds of the sales of those lands, that money goes to the provinces. But we have complete control of the lands.

Mr. CALDWELL: One point is not very clear to me. Section (1) speaks of lands being surrendered by the Indians "in order that they may be disposed of for the benefit of the band." What method is taken to get the surrender of the lands by the Indians?

Mr. STEWART (Argenteuil): By a vote of the band.

[Mr. C. A. Stewart.]

Mr. CALDWELL: Unless by a vote they voluntarily surrender the land, the government has no authority to sell it?

Mr. STEWART (Argenteuil): The Indian Act gives the government pretty wide authority, but in no case have we attempted to dispose of or to lease land unless we have had a majority vote of the band concerned.

Mr. CALDWELL: And this legislation is not taking any further authority than the government now had, because it refers only to lands surrendered by the Indians?

Mr. STEWART (Argenteuil): No.

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

Mr. MEIGHEN: I thoroughly understand what the purport of the resolution is, and on its merits in general I have no adverse criticism to offer, but I really did not know before that the holding of the Privy Council applied to all the provinces. I thought this difficulty had arisen in connection with what is really known in law as the reversionary interest, in British Columbia alone.

Mr. STEWART (Argenteuil): This does not apply to all the provinces. This is an agreement between Ontario and the federal government.

Mr. MEIGHEN: The minister's explanation applied to every province. That is what mystified me.

Mr. STEWART (Argenteuil): I am sorry. I should have to deal separately with every province.

Mr. MEIGHEN: This does not get over the British Columbia trouble at all?

Mr. STEWART (Argenteuil): No; I would be glad if it would.

Mr. MEIGHEN: We are not carried very far by this resolution. I had hoped that the minister had made a settlement of the question with all the provinces. It is in British Columbia that the trouble arises. Will the minister explain, if such is the situation to be cured in Ontario, what is the different one in British Columbia? In British Columbia the provincial government has always claimed the reversionary title, that is to say, in lay language, the title after the Indians' rights are extinct by extinction of the Indians themselves or otherwise; but in Ontario I did not know that any such claim was advanced, in the same sense at least as it is in British Columbia. What does British Columbia claim over and above what this decision held to be the right of Ontario?

Mr. STEWART (Argenteuil): Is the right hon. gentleman speaking of the British Columbia government?

Mr. MEIGHEN: What is the trouble in British Columbia? Is the situation there exactly what it has been in Ontario prior to this agreement?

Mr. STEWART (Argenteuil): Broadly speaking, the situation has been this. The adjustment between the provincial government and the federal government as to the question of reversion, the administration required in the case of extinction of the Indians' rights, has been in dispute between the governments, and as my right hon. friend is aware, a commission was appointed to go very thoroughly into the question, both governments tentatively agreeing to accept the decision of that commission. The commission reported after a good length of time had been taken up in arriving at a decision, and the Indians are objecting to the commission's finding which recommends the sale of some of the lands that, the commission say, are not required by the tribes. That deals with the older reserves. But the root of the objection by the British Columbia Indian is his claim that he is entitled, not only to reversion, but to the whole of the area of British Columbia; that is, that his hereditary right has never been extinguished. That is the most serious objection in my opinion. The federal government for the past eighteen months have been endeavouring to reconcile the Indians, that is, to get some further consideration as regards the reserve question. But the other question is the real reason for the British Columbia Indian objecting to a settlement of almost any sort. There are foreshore rights, fishing rights and a number of other rights that, perhaps, we can adjust; but the bigger question that is raised by the friends of the British Columbia Indians themselves is the claim to the original title to the whole area known as British Columbia. I would not care to enter upon a discussion of that question this afternoon.

Mr. CALDWELL: Do they claim the whole province?

Mr. STEWART (Argenteuil): Yes; they say their title has never been extinguished.

Mr. MEIGHEN: I hope the minister is losing more sleep over the national debt than he is over that question. I remember now very vividly the agitation for acknowledgement of the whole of British Columbia as being still the possession of the Indians.

Mr. PUTNAM: Will the right hon. member not wish the minister sound sleep in any event?

Mr. MEIGHEN: No; I think he ought to get the national debt down a little before he has a right to sleep soundly. That is the agitation, if I recall it correctly, headed by the Rev. Mr. O'Meara.

Mr. STEWART (Argenteuil): Not "reverend"; he is a legal gentleman.

Mr. MEIGHEN: I think he is both; and that is "some" combination. I will not bother discussing that, and the minister cannot be very busy if he occupies much of his time over it. He hardly appreciates the situation as I was endeavouring to lay it before him. I am, or at least I think the government ought to be, very anxious to get a settlement of that reversionary title claim in British Columbia. The question never was crucial in Ontario. It never was brought to the surface while I was connected with the department.

Mr. STEWART (Argenteuil): It comes up now perhaps more acutely in connection with the finding of the commission.

Mr. MEIGHEN: A commission which looked into the matter brought in a report; the Dominion government were ready to abide by the report, but British Columbia was recalcitrant, and I must admit that I entirely failed to make any progress with the present premier of British Columbia. That, however, is no reason why the minister should not. I notice the premier announces that he is good friends with the Dominion government. I do not know what he is not getting; I notice he is getting an elevator in Prince Rupert and he is apparently going to fix rates in this parliament. Why can the minister not take advantage of this great friendship and secure the settlement of a question that is really crucial in British Columbia, namely the reversionary question? It is thwarting, hampering the work in British Columbia all the time. It is big and difficult, and it is complicated. The minister has had two and a half years now, with his colleague from that part of the country, to settle the matter. Has he made any progress at all or has his experience been very much like my own?

Mr. STEWART (Argenteuil): It is hardly fair to blame the provincial government for the delay at the moment. The provincial government has shown a disposition to meet us but there are a number of questions involved

in addition to the reversionary right which it is difficult to settle. One of these difficulties arose in connection with the question of the fisheries. The federal government controls that matter in most cases so that it was really not a departmental question. Our Indian wards are not satisfied and I have been endeavouring to appease them with the adjustment that has been made by the commission. They claim that in many cases they are entitled to consideration in relation to foreshore and fishing rights, which consideration they say they have not received under that award. We have been trying to adjust matters and to get the Indians to agree to the settlement, but I am bound to admit that some of their friends have given them bad advice. That has been the chief difficulty; were it not for the class of advice they have got I believe we could have a settlement of the matter in the near future.

Mr. KENNEDY (Glengarry): Does the agreement with Ontario affect in any way the present status of the dispute between the Department of Indian Affairs and certain islands in the river St. Lawrence which were originally a part of the St. Regis reservation? Some half dozen islands were held under 99-year leases at ridiculously low rentals.

Mr. STEWART (Argenteuil): Were they reserves?

Mr. KENNEDY (Glengarry): Yes. About six or seven years ago these leases expired, and if I remember rightly the department took the ground that they were not renewable and refused to renew them. Does this agreement with Ontario contemplate any change in the status of that dispute with respect to those islands?

Mr. STEWART (Argenteuil): No. This merely deals with the disposition of receipts from minerals and so on. The federal government has complete control of the management of the estate, if we may use that term, which is being operated in the interests of the Indian. So that any agreement of the character my hon. friend mentions would be dealt with departmentally; this would not touch it at all.

Mr. KENNEDY (Glengarry): But it is not merely a matter of agreement, it is a matter of litigation.

Mr. STEWART (Argenteuil): That may be. We frequently have difficulty about leases and matters of contract but this particular matter is simply one between the lessee and the government. It is not an inter-provincial matter at all.

Section agreed to.

Resolution reported, read the second time and concurred in. Mr. Stewart (Argenteuil) thereupon moved for leave to introduce Bill No. 191, for the settlement of certain questions between the governments of Canada and Ontario respecting Indian Reserve Lands.

Motion agreed to and bill read the first time.

NORTHWEST TERRITORIES 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 section eight of the Northwest Territories Act, Revised Statutes, 1906, chapter 62, by adding to the subjects on which the Commissioner in Council may make ordinances as therein designated, the levying of an export tax on furs within the territories.

Mr. MEIGHEN: Will the minister state fully the effect of this resolution?

Mr. STEWART (Argenteuil): The purpose is to impose a fur tax on pelts taken in the Northwest Territories. For some years, I understand, there has been an agitation to have this done. The provincial governments are now collecting a tax on pelts taken within the four western provinces and this legislation will put the territories which lie immediately north of those provinces upon the same basis and thus assist us to some extent in paying for the administration. That is all that the bill purports to do; it gives us authority to collect a tax on furs.

Mr. MEIGHEN: Is the tax applicable only to furs exported?

Mr. STEWART (Argenteuil): Yes, it refers to fur coming out of the territory.

Mr. MEIGHEN: Some of that fur would be export fur, and some would not be exported. Does the word "export" in this connection refer to furs exported out of Canada or merely out of the territory?

Mr. STEWART (Argenteuil): Out of the territory.

Mr. MEIGHEN: Is it to apply to the Indians?

Mr. STEWART (Argenteuil): If they are exporters, yes; but usually they are not. Whoever ships furs out of the territory for sale or disposition will pay a tax thereon.

Mr. WARNER: I have been requested to ask the minister to let this matter stand; an hon. member who wishes to discuss it is not here.

Mr. STEWART (Argenteuil): Any hon. member can register his objection when the bill is under consideration. We are merely getting the legislation forward a stage and there will be plenty of opportunity for hon. members to discuss it later.

Mr. WARNER: The hon. gentleman will have an opportunity on some other occasion to discuss it?

Mr. STEWART (Argenteuil): Yes; this is merely to get the bill introduced.

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

Sir HENRY DRAYTON: Will the minister be good enough to let us know what the rate of tax is to be, whether specific or ad valorem?

Mr. STEWART (Argenteuil): It varies somewhat from the similar tax collected by the provinces, but is based on the value of the fur. I might read this list to my hon. friend:

On each white or polar bear, $2; on each bear not specified, 40 cents; on each beaver, $1; on each fisher, $1.50; on each black fox, $5; on each blue fox, $2.50; on each cross fox, $1.50; on each red fox, 75 cents; on each silver fox, $5; on each white fox, $1.50; on each lynx, 75 cents; on each marten, $1; on each mink, 25 cents; on each muskrat, 5 cents; on each otter, $1; on each skunk, 10 cents; on each weasel, 3 cents; on each wolf, wolverine or coyote, nothing.

Sir HENRY DRAYTON: My hon. friend having told us what the tax is to be, it would be very interesting if he would let us have the average price which the trapper gets for these pelts, because I have no doubt the minister will thoroughly appreciate that the fur-exporting companies will just take the duty off the price they pay to the trapper. A very large number of trappers are Indians, and they will be taxed just to this extent.

Mr. STEWART (Argenteuil): I will endeavour to get the information from our officers and furnish it when the bill is under discussion.

Sir HENRY DRAYTON: If the minister will answer another question it may save discussion later on. Perhaps he has some ground for distinguishing this proposed tax from, or perhaps it is consonant with, the governmental declaration as to the non-taxation of the original products of the soil with a view to helping those engaged therein, whether by land or by sea. By proposing this taxation the government is swallowing itself, and doing it very gracefully, because fur-hunting is an original activity of the Indians. On what grounds is this original activity to be taxed as against exemptions granted in other directions? Is it because there are no representatives of this primary production in the House, no votes to cajole, nothing to be done to keep the government in power when it ought to be put out?

Mr. STEWART (Argenteuil): My hon. friend seems to discover a new mode of attack. This is not a new tax; surely my hon. friend knows that in the northern portions of the four provinces mentioned fur taxes are imposed. Instead of this being a detriment to the Indians we hope it will be of assistance to them. White trappers are going into the territories in ever-increasing numbers to the very great disadvantage of the Indians, so much so that we have to put a rather heavy license fee upon the white trappers in an endeavour to keep them out. The Indian is a most careful hunter with a view to conserving his food supply, but the white trapper does not exercise similar care. Consequently the cost of administration of the Northwest Territories, which is a vast area, is steadily increasing. This is the only country in which to my knowledge there is not such a tax. We think we are entitled to get this tax from the fur trappers in these territories.

Sir HENRY DRAYTON: Mr. Chairman, my hon. friend does not answer me at all. There is the policy of his government formally declared; here is the action. It is no argument to say that we have taxes on furs in other parts of the country. If he were putting the declared policy of the government into effect he would be taking those taxes off instead of extending them. But here we have a very novel idea seriously advanced by the minister.

Mr. STEWART (Argenteuil): Not at all.

Sir HENRY DRAYTON: Why not? Is not this a matter of primitive production? The minister nods his head. He is right, of course it is. Did not the government say it was in favour of looking after primary production? The minister does not nod his head this time. Well, that is what the government say anyway, whether he nods his head or not. He points out that this is not a

new tax. Well, there were some old taxes on primitive productions, but some of them have been got rid of. Of course, it is
5 p.m. true that others have been imposed. Here, we have this tax on primitive production confined to certain areas, and now it is to be increased. The minister has not answered my query as to how his action jibes with the general policy of the government. I do not think he can. But he has given us this new thought—that any specific industry is helped by taxation! Let us help the Indian. How? By putting a tax on everything that he produces. That is all the minister is doing to help the Indian. Well, that is an extraordinary way of helping the red man. But the trouble is, it does not help. My hon. friend says that there are too many white trappers in the Northwest Territories. If so, there is a way of dealing with them instead of taking money out of the pockets of the Indians, for this tax means that for every bear, mink or marten the Indian catches he will make that much less money. If the minister really wanted to help the Indians he would exact such license fees from, and impose such regulations on, white trappers as would preserve these areas to the Indians. But for the minister to say, "We are helping the Indians by taxing them on their furs," —well, I had hopes of better things from my hon. friend.

Mr. STEWART (Argenteuil): While the fur the Indian captures is important, it is not so important as the food question in the northwest country. Our Migratory Birds Act, for instance, has caused a very considerable amount of suffering on account of making it impossible for them to shoot in the spring. It is a question of food with the natives, rather than making money out of the fur Fur used in the territory will bear no tax at all. The Eskimo is clothed entirely in fur, with very few exceptions; there are a few, of course, in better financial circumstances who can buy woollen clothing. The Indian's dress, generally speaking, is of fur, and his chief difficulty is his food supply, so much so that we have had to supply them, as did my hon. friends opposite, with food and clothing from time to time. It is the white man who makes the huge profits that are being made to-day in the fur business. It is the white trapper who is jeopardizing the Indian's means of existence to a very serious degree, and who forces this government, and will force succeeding governments, to spend more and more money in policing the territory in the interests of the Indian. We have to do that unless we are going to spend more and more money in maintaining the Indians. In view of that, I think I am asking only a reasonable tax on this business which is done largely by white trappers brought into that country by the Hudson's Bay people. These trappers come up there by boat in the fall and engage in trapping along the northern coast and to the northwest, and come out again the following year. The Indians will not suffer to any appreciable extent by the imposition of this tax.

Mr. SPEAKMAN: I have no intention of speaking on the virtue or lack of virtue in the tax itself. Men more familiar with the fur trade may do that, but I would like to ask the minister in regard to one rather interesting point involved, and that is the question of taxation without representation. As I understand it, the Northwest Territory has no representation, either federal or provincial, and as I understand the British constitution, which is the Canadian constitution, no one shall be subject to taxation without representation. That has always been the great principle, no taxation without representation, and I would like to ask the minister how he reconciles this tax on the products produced in an unorganized territory by people who have not the franchise wtih that great principle.

Mr. STEWART (Argenteuil): We could easily adjust that difficulty by granting them the franchise.

Sir HENRY DRAYTON: Who, the Indians?

Mr. STEWART (Argenteuil): No. I have just been trying to point out to my hon. friend that the Indian will not be seriously affected by the imposition of this tax; I was referring to the white man. Some of the Indians do make a very considerable amount of money trapping, but not generally speaking.

Mr. WARNER: Are the Indians exporting fur at all, or do they sell the fur in Canada? Alaska is pretty close there, and I was wondering whether they shipped their furs across the line or sold them in Canada. What are the white trappers doing in that connection?

Mr. STEWART (Argenteuil): The fur pack goes out of that country in three different directions. Around the western coast it goes out by the Hudson bay, usually by Hudson bay boats. The Hudson's Bay Company sends in a vessel every year with supplies for their posts around by the coast of

Alaska and in the northern waters, and leaves trappers along the coast. The third way is down the Mackenzie river, and out by Edmonton. Those are the three directions by which the fur we propose to tax is exported.

Mr. WARNER: Does the minister mean exporting when the fur is sold to go outside the territory?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: The minister is hardly right when he states that the Hudson's Bay Company are going to be taxed by this legislation. The Hudson's Bay Company buy from the Indians, and from Indian trading posts all over the country, and they can load this tax on the Indian; that will only be following what trading companies usually do. If the minister wishes to protect, although I know he hates the word protection, the Indian who produces the furs, the way would be to put a heavy license fee on the white traders, and reserve the territory for the Indian to the full extent necessary to give him that natural nourishment and natural environment that are essential to his life. The minister is never going to help the Indian by taxing his fur. It may be the pressure would not be very great, but just to the extent that it exists, it is going to injure the Indian. A very sad feature of this whole thing is the failure of the minister to live up to that great cardinal principle of taxation for which his party lives and for which it is ready to die, to keep taxation away from the primary, the natural industries. All others, even the hunting of the wild animal are complicated and artificial, compared to this one. This is the most natural and primitive of all. Now where is the whole Liberal structure going to come to if the minister gets back to primitive industry of that kind and taxes it? Surely the minister did not listen with close ears to the parable the Prime Minister gave in the budget debate, wherein he likened the industries of a country to a great tree growing until it branched out and put forth leaves, and fruits appeared upon it; but another predatory interest arrived and tapped the tree down near the roots and extracted the sweet sap, which could then no longer circulate among the branches and nourish the leaves and fruit, and the tree died. Surely the minister did not hear that appeal and failed to understand it with his heart! What a frightful calumny this is upon his leader that he will now come down, only two months afterwards, and not only tap the tree down near the ground, but put in his little spout right in the root itself and tap industry right at the very base. How does he expect the tree to grow? It is really pitiable that these lights surrounding the Apostle of Liberalism should so close their ears to his teachings and come in so soon with a tax of this sort. If ever the whole edifice, the very sanctuary of Liberalism was imperilled, it is imperilled now. Here is a tax right at the very basic root, a tax on the most primitive and primary of all industries, and the minister puts his hand in there and grabs what is going to give it life. Surely he ought at least to resign from Argenteuil. How is he ever going to defend himself hereafter on these historic principles which are so dear to him?

Mr. BAXTER: I am not quite clear about one thing, a constitutional question. I presume the Northwest Territories are a part of Canada, and I thought there was a provision in the British North America Act by which the product of any part of Canada should not have a duty placed upon it with reference to any other part. Whether that strictly applies to export or not, I do not know. I would have some doubt as to the power to impose a duty upon products going from one part of Canada to another. It is perfectly clear a duty could be imposed upon the products of Canada going to a foreign country, going out of Canada as a whole, but whether it is against the letter or not, it is certainly against the spirit of the British North America Act that you should impose what is really a duty as against the other provinces seeking to obtain the prdoucts of any one province. I wonder if that had the consideration of the minister.

Mr. STEWART (Argenteuil): I confess this is a new thought to me. The provinces have the right to impose a tax on fur and they exercise it. If that is the basic industry my hon. friend is worrying about, the provinces undoubtedly have that right and they exercise it. The Northwest Territories, however, are administered as a territorial unit. Whether that confers authority to impose taxation I am unable to say for the moment, but I will look into the matter.

Mr. BAXTER: The point I was making has no reference to the authority of the territories but to the authority of this parliament. I assume that an export duty can be placed on lumber going from New Brunswick into any other province; and that an export duty may be put on, let us say, iron ore going from Ontario into any other province. But certainly the British North America Act never contemplated the possibility of a

system of interprovincial duties even under federal organization. The point only occurred to me a few moments ago, and I should like to look into it further. I would think the minister would require to give the matter very close attention, because it is a much more important affair than the mere size of the tax. It is a question of whether or not the thing can be done at all. In this House I rather think we rush into legislation that will cost many thousands of dollars, and allow the matter to be resolved afterwards by the submission of questions to the Supreme Court and by appeals to the Privy Council, when we might save a good deal of time and misplaced energy by simply giving a little thought to these matters before we enter into them. Section 121 of the British North America Act provides that:

All articles of the growth, produce or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

That is entirely inconsistent with the idea of an interprovincial export duty. The only question that remains is whether the Northwest Territories are at all in the status of a province. I have not had time to look into the subsequent acts which gave them the status they now enjoy. I understand they are included now as part of Canada and perhaps the reason referred to might apply.

Resolution reported, read the second time and concurred in. Mr. Stewart (Argenteuil) thereupon moved for leave to introduce Bill No. 192, to amend the Northwest Territories Act.

Motion agreed to, and bill read the first time.

SUPPLY—TAX COLLECTIONS

PROPOSED INQUIRY BY PUBLIC ACCOUNTS COMMITTEE

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

Mr. W. C. GOOD (Brant) moved in amendment, seconded by Mr. Brown:

That all the words after "that" be omitted, and the following substituted therefor:

Whereas it has been alleged in the public press of Canada that if an inquiry were instituted, some interesting information and astonishing facts, showing how the treasury of Canada failed to receive revenue intended for it, would be disclosed to the taxpayers of the Dominion; and

Whereas, for instance, it has been alleged in the press that cheques totalling about $1,700,000, representing the income and business profits taxes of three well known concerns in Ontario, were received by the Department of Finance in March, 1921, but were not deposited until December 6 of that year; and

Whereas a number of similar specific allegations have been made in the press; and

Whereas it has been alleged in the House of Commons on May 27 of this year, that in the case of a certain corporation the treasury of the Dominion seems to have lost in one year about $800,000 to which it was entitled;

Therefore, in the opinion of this House it is expedient that the standing committee on Public Accounts be and same is hereby instructed to investigate the methods by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected.

He said: I referred to one of the matters mentioned in the amendment on the 27th, May, as stated in the text, and at the conclusion of the debate the Acting Minister of Finance (Mr. Robb), and the Prime Minister particularly, assured me that the matters which I submitted to the House, could be taken up before the Public Accounts committee. At least such was my understanding of the assurance given on that occasion. Subsequently I made an effort to secure a meeting of the Public Accounts committee at which Mr. Breadner, Commissioner of Taxation, might be questioned on certain matters. I have exercised a great deal of ingenuity between that date and the present in order to secure a meeting of the committee, but have failed, and it is for that reason that I now ask the House to instruct the committee to take cognizance of this and other similar matters I have been told that I should bring a specific charge of wrong doing against some official. I think, Mr. Speaker, that it must be apparent to the House that after it has been claimed by the Acting Minister of Finance and the ex-Minister of Finance (Sir Henry Drayton) and all those concerned, that the files and information concerning these matters, are confidential, it is practically impossible for anyone at this stage, to make a definite and specific charge. Section 14 of chapter 11 of the Business Profits War Tax reads as follows:

"No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act. Any person violating any of the provisions of this section shall be liable on summary conviction to a penalty not exceeding two hundred dollars."

This I presume is the basis of the statements made by the Acting Minister of Finance and the ex-Minister of Finance in regard to the impossibility or the difficulty of securing any information. Reference was also made on a former occasion to the fact that some information must have leaked out. I think it must be apparent to all, and I think we

may take it for granted, that the information upon which the Globe articles were based, upon which I base my own case, leaked out through some of the officials. Why did they violate this particular section of the act, and inform parties outside of what they were pledged not to divulge? My conclusion is that some of the officials must have felt that their obligation to the country was greater than their obligation to observe the law. I am not the guardian of their consciences and do not wish to judge them in this matter. However, they have run the risk of dismissal and penalty for violating the law for certain reasons which they must have considered sufficient.

Mr ROBB: What evidence has my hon. friend that the information was given out from the Income Tax department?

Mr. GOOD: I take it that such must have been the case. Perhaps I might, if I were so disposed, give my hon. friend more particular information. I am satisfied, however, from what you might call general reasoning and very specific information of a confidential character, that such has been the case. It seems to me, Mr. Speaker, that the question which we have before us is in its general aspects one of considerable importance. Is parliament not entitled to know how its own acts are being administered? We have been told that these files are confidential, and that therefore no one can find out what assessments have been made, or anything about assessments and collections. I do not see how we can possibly accept that conclusion. It seems to me a most extraordinary, anomalous, absurd and untenable position to assert that parliament cannot find out how its own laws are being administered. I have taken some little trouble to look into the matter of the powers of parliament in this particular regard, and I venture to submit a statement thereon to the House. First in regard to the obligations which are involved in the present Income Tax Act, I refer to Plaxton and Varcoe, page 254, where I find the following:

> Income tax returns are official documents and generally speaking the Crown cannot be compelled to produce them in court if the responsible officer of the department states upon oath that their production would be contrary to the public interest. Upon an application made by the liquidator of a company for the production of returns the court in the exercise of its discretion refused the application on an affidavit being filed that in the opinion of the Board of Inland Revenue such production would be prejudicial to the public interest. In an action for damages for slander it was held that the defender was not entitled to the production of the pursuer's income tax returns.

This shows, I think, that no person in the government service shall communicate any information to any person not legally entitled, that the Crown has a right to treat the income tax returns as official documents, and that they cannot be compelled to produce them in court. But that is an entirely different matter from the right of parliament or a committee of parliament to call witnesses and secure information. I refer to Bourinot's Parliamentary Procedure, page 70, where I find the following:

> The Senate and House of Commons have the right, inherent in them as legislative bodies, to summon and compel the attendance of all persons, within the limits of their jurisdiction, as witnesses, and to order them to bring with them such papers and records as may be required for the purpose of an inquiry.

At page 74 of the same authority, I find the following:

> No witness before either House of parliament or a committee of either House can excuse himself from answering any proper question that may be put to him. While the law of parliament demands the disclosure of the evidence it recognizes to the fullest extent the principle on which the witness is excused from making such disclosure in the ordinary courts of Justice and protects him against the consequences which might otherwise result from his testimony, the rule of parliament being that no evidence given in either House can be used against the witness in any other place without the permission of the House.

At page 75, continuing the same line of thought, I find the following:

> The experience of parliament has shown that in the majority of cases select committees are the best tribunals for examining witnesses and accordingly it will be found on reference to parliamentary records, evidence is taken whenever practicable before select committees.

At page 480, I find the following:

> It is usual in both houses to give committees special authority to send for witnesses or documentary evidence.

At page 482, we find:

> In the session of 1891 the committee of privileges and elections to whom was referred a very important inquiry, reported that one of the witnesses refused to place under the immediate control of the committee certain documents, which he had produced. His conduct was reported to the House, and he was ordered to deliver all accounts and papers to the clerk of the House. He complied at once with the order, and the committee had consequently full control of the documents in question.

I quote from page 74 of Bourinot, the following:

> In view of certain prosecutions and suits, criminal and civil instituted by the Department of Justice subsequent to inquiries before the committee of Privileges, and in committee of Public Accounts in 1891, the House ordered in 1892 that all clerks and stenographers who were in the employment of the House, and in attendance on the said committees, "should attend, when required before the courts and give evidence as to the statements made upon oath, and produce all books and papers used before the said committees"; and it was distinctly laid down in the same resolution that the House, "while waiving its privileges in these

particular cases with the view of eliciting all the facts and obtaining substantial justice in the premises, does not in any sense give up its well established and undoubted rights, whenever it may deem it in the public interest hereafter at any time to protect all witnesses examined before this House or any committee thereof in respect of anything that may be said by them in their evidence, and to refuse permission to any clerk or officer of the House or shorthand writer employed to take minutes of evidence before the House or any committee thereof to give evidence elsewhere in respect to any proceedings or any examination had at the bar or before any committee of the House."

In Hansard of 1892, volume 1, at page 1290, Sir John Thompson quotes Cushing, a great American authority, as follows:

A Witness before the House of Parliament cannot excuse himself from answering any question that may be put to him (with a single exception presently to be noticed) on the ground that the answer would subject him to an action or expose him to a criminal proceeding, or be the means of divulging the secret of his client communicated to him in professional confidence, or be ary breach of a judicial oath as grand juror, etc., some of which would be sufficient grounds of excuse in a court of justice. This difference between proceedings in parliament and in the ordinary courts has been established upon grounds of public policy and is considered to be fundamentally essential to the efficacy of a parliamentay inquiry, but while the law of parliament thus demands the disclosure of the evidence, it recognises to the fullest extent the principle upon which the witness is excused from making such diclosure in the ordinary courts of justice and protects him from the consequence which might otherwise result from his testimony.

And so forth. I have some other references, but it is not necessary to quote them on the present occasion. I want to mention in conclusion the case of Mr. R. C. Miller in 1913 which is contained in the Journals of the House, pages 274 to 278. The leader of the opposition (Mr. Meighen) will recall this because he seconded a number of motions made at that time. Mr. Miller refused to answer certain questions; he was called before the bar of the House where, on advice of counsel, he refused to answer the questions, and he was imprisoned until the end of the session.

All this evidence, it seems to me, shows an undoubted right of parliament to inquire into any matters such as have been claimed to be confidential and such as are necessary to inquire into in order to find out how the Business Profits War Tax Act and the Income Tax Act are being interpreted and applied. I may take it, therefore, that there is no doubt as to the power of parliament in this connection.

The other day when the Income Tax Act was under consideration, I had prepared an amendment to the act, but I was unfortunately unable to be present and left it in the hands of another member. But under conditions existing on the evening when the matter was under discussion the amendment was not submitted. I should like to read it to the House now:

Nothing in this act shall be construed to interfere with the privileges of the House or of any committee thereof in ordering the production of returns, statements, reports, memoranda or writings made by any corporation, co-partnership or individual under this act, or to prevent the House or any committee thereof from compelling witnesses to answer questions or give information.

As a matter of fact, I was informed by the law clerk of the House, after a very lengthy discussion, that this amendment was not necessary, although there would be no harm in inserting it in the act, because it was generally understood that parliament has the right at any time to inquire into these matters, to compel the production of papers and to compel witnesses to answer questions even though those answers might incriminate them in the ordinary courts.

In view of these facts, I claim that the committee ought to be open to investigate these matters. I have been asked by the chairman of the committee to make a specific charge. I have told him that I can make no charge more specific than I have already made, and apparently that is not judged sufficient to warrant an investigation. As I said before, I am, therefore, compelled to ask the House to issue instructions to the committee to have this matter investigated.

Mr. MEIGHEN: The operative part of the hon. member's resolution, the last paragraph states:

It is expedient that the standing committee on Public Accounts be and same is hereby instructed to investigate the methods by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected.

This is open to the interpretation that all that the committee could investigate would be the principles upon which assessments and taxes are arrived at and how, after being arrived at, they are pressed for collection. Does the hon. member intend that the committee shall be empowered, and that its duty shall be, to investigate the actual facts relevant to the correct assessment, the business affairs themselves and what the assessment should be, in a word, the details of the business or of the individual concerned?

Mr. GOOD: It is quite possible that the wording is not the happiest in this respect and, perhaps, not as clear as it ought to be. I may, however, answer my right hon. friend by saying that the idea that I hoped to convey was that the committee should inquire into, not only the facts in so far as those facts

seem relevant to establish certain principles of interpretation and method, but the general interpretation and the general application of the law.

Mr. MEIGHEN: That does not answer my question. Is the committee to be empowered to summon the man taxed, the officer of the company before it, and to get at the details of the business so as to enable the committee to decide whether that man or firm was rightly taxed or not?

Mr. GOOD: I think we shall have to leave the details with the committee, but certainly my intention is that the committee should have whatever powers it considers ample to inquire into the whole matter.

Mr. MEIGHEN: It will not have any power except what this resolution gives it.

Mr. GOOD: I hope that if the resolution does not convey the powers that have just been described, it can be amended so as to convey ample powers of inquiry.

Mr. MEIGHEN: Into the individual case?

Mr. GOOD: Yes; and I shall be very glad to have any amendment to the operative part of the resolution to bring about that result. I can assure my right hon. friend that I have no desire to limit the inquiry; in fact, I am very anxious that any question which is relevant should be inquired into by the committee.

If I may further trespass on the time of the House, there is first the question of the interpretation of the law, and I have in mind particularly a dispute which, after the debate the other day, I got into with Mr. Breadner over the interpretation of the Business Profits War Tax Act. I may be wrong and he may be right, or he may be wrong and I may be right, but the matter of interpretation ought to be cleared up in the committee.

Mr. CRERAR: That would be a legal matter, would it not?

Mr. GOOD: I presume it would, to some extent, although I think parliament has power over such matters. Further than that, there is the question of actual facts in regard to certain assessments. I should like, for instance, that the committee should take cognizance of the particular assessment that I submitted to the House on a previous occasion and also should inquire into those other assessments that have been referred to in press despatches. In addition to the matters referred to on a previous occasion, and after the former debate, I received a letter from a man in Toronto whom I do not know at all. He marks it "private and confidential", and therefore I shall not disclose his name. This letter is to the effect that the evasions of the law in Toronto have been legion. He gives me to understand that he knows of numerous cases of what, for want of a better term with which to describe them, I must call evasions, to say the least. I know nothing about this, but it seems to me that the committee might well take cognizance of the matter; my correspondent offers to send me a list of the concerns which he has in mind. He says:

> If you decide to go on with this I can furnish you with a list of names.

I do not wish to prolong the discussion further at the present time. I am anxious however that this matter, which has received a good deal of attention in the press and otherwise and about which there is a good deal of talk, should be cleared up; and apparently the only place where that can be done is before the Public Accounts committee. I therefore urge that the matter be turned over to that committee for such inquiry as they may deem fit. As I said before, if the operative part of the resolution is not worded in such a way as to give to the committee the full and necessary powers to enable them to establish the facts and secure the information that is required, then I should like to see someone who may have better legal qualifications than I, amend the resolution to make it effective.

Mr. HANCE J. LOGAN (Cumberland): I do not intend to discuss the merits of this resolution but I desire to refer briefly to the statement of the hon. member for Brant (Mr. Good), that he had approached the chairman of the Public Accounts committee and used every ingenuity to have a meeting of that committee called to consider this matter. I happen to be the chairman of the Public Accounts committee, and I may say that when the hon. member approached me I called his attention to the fact that, after all, the powers of the Public Accounts committee are somewhat limited. We receive our powers from parliament and they are stated in a resolution which reads:

> That the select standing committee of this House shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the House, etc.

We have had the Auditor General's report referred to us, but the matter which the hon. gentleman desired to have investigated was not included among the subjects that had

been referred to the committee. I asked him whether he had any charge to make and he said he had not; he only desired to investigate into the methods of administration. It occurred to me that this was rather a wide field to enter upon: It would necessitate an investigation into the methods of administration of the Department of Finance, of the Customs department, of the Marine department, of the Department of Justice if the same should be demanded by any member of parliament. It did not appeal to me, therefore, as being particularly a matter which could come within the province of the Publics Accounts committee, a committee which after all, as its name signifies, is a body whose duty it is to examine into public accounts and not to inquire into public methods of administration. In offering this explanation, I do not think that my hon. friend intended to reflect upon my opposition to his proposal in itself; the only question was as to whether we had the power to investigate a matter which had not been referred to the Public Accounts committee, a matter which was not one of public accounts but one that had to do with methods of administration.

So far as I am concerned, I desire that the Public Accounts committee shall be given, not ill-considered directions, but well-defined instructions upon which to act. I think this matter opens up a vast field, and for myself I want specific instructions from the House as to how far we are to keep faith with the taxpayers of the country. We have undertaken to keep secret certain matters in connection with various businesses throughout the country from the Atlantic to the Pacific. That being so, is the Public Accounts committee now to investigate into the private affairs of every concern in Canada or of every individual? Is that to be its function or not? Without discussing the merits of the case that has been brought forward by the hon. member, I desire to have the considered judgment of the House on this question, for I am of the opinion that it is a matter of supreme importance for us to know how far we are to proceed under the circumstances. If we are to adopt such a proposal as this it is going to change the whole scope of the committee as we have so far understood it. Are we prepared to go as far as this implies? If the House directs that the Public Accounts committee shall investigate all these cases, the committee will of course do so. But we should have specific instructions before undertaking anything of the kind.

[Mr. Logan.]

Hon. J. A. ROBB (Acting Minister of Finance): As will be found in the report in Hansard of the evening session of May 27, when my hon. friend from Brant (Mr. Good) made some reference to methods of collecting income tax, it was then stated on behalf of the government that if any hon. gentleman desired to make any charges relating to the administration of the act such charges would be investigated immediately and those who preferred them would be given an opportunity of appearing before the Public Accounts committee. I have listened to the resolution that has been presented to the House and, as I construe it, it seems that the hon. gentleman desires an inquiry into the method of administration of the department; I do not understand that he proposes to go into the details of the business of every man in this House or in the country. It is reasonable that hon. members who were not in this House when the legislation governing the administration of the Income Tax and the Business Profits Tax Acts were enacted should have an opportunity of inquiring generally into the method of administering the law. I desire now to draw to their attention the provisions of that law as it stands. Section 14 of the Business Profits War Tax Act, chapter 11 of the statutes of 1916, is as follows:

14. No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act. Any person violating any of the provisions of this section shall be liable on summary conviction to a penalty not exceeding two hundred dollars.

Mr. GOOD: Does the Acting Minister of Finance interpret that to mean that the officials may not be called before the committee or before parliament and be compelled to give information on these points?

Mr. ROBB: I am quoting the law as it is; and the same thing appears in the Income War Tax Act, section 11 of chapter 28 of the statutes of 1917. I want to give to my hon. friend the views of parliament of the time when this legislation was enacted; not the views of any individual but the unanimous opinion of parliament at that time including both sides of the House. When the legislation was before the House on August 8, 1917, Mr. Carvell, the member for Carleton, asked the Minister of Finance, Sir Thomas White, what course the government intended to pursue regarding the publication of details of taxation under the business profits war tax. I fancy Mr. Carvell asked

that question because there was considerable opposition here and there to the giving out of details of people's business; business and professional men, farmers and others do not care to have the details of their business made known to their neighbours and everyone else.

Mr. CALDWELL: Farmers have no secrets.

Mr. ROBB: There were farmers in the House at that time, and they had the same objection. This is what Sir Thomas White answered:

> When the Business Profits War Tax Act, which was introduced in 1916, was under consideration, the statement was made that returns would be brought down provided a resolution of the House was passed asking for such information. It was thought inadvisable that details of private business should be given. There seems to be a consensus of opinion that such details should not be made public.

That was Sir Thomas' view as to the consensus of opinion of the House at that time. Then he goes on:

> My own view is that a member asking that information of a confidential nature should be brought down and made public, should lay a foundation, indicating that the assessment had not been properly made. Then, if such position were prima facie sustained in the argument, the government would, I think, be justified in bringing down the information.

But Sir Thomas laid it down that first the member should make out a prima facie case. He communicated with the High Commissioner to ascertain from the Chancellor of the Exchequer what was the practice in Great Britain, and this was the reply by cablegram:

> That under no circumstances would they permit the publication of detailed information relating to the business of individuals, firms and companies carrying on business in the United Kingdom and subject to the excess profits tax.

Mr. GOOD: Does the minister understand that anybody in this House is proposing the publication broadcast of details of people's business? I do not propose it.

Mr. ROBB: I am just making it clear, Mr. Speaker, that if such information was brought before a committee of the House it would be accessible to the newspaper reporters and would be scattered broadcast. But I was going to say that this is a new parliament, and if hon. members are not satisfied with the act and want to amend it, they are at liberty to proceed accordingly. But the government have no desire to keep back information in so far as it can be given under the act, and therefore we have no objection to the resolution offered by my hon. friend, as I understand it, to bring before the Public Accounts committee inquiry into the administration of the act.

Mr. MEIGHEN: I hope the minister remembers that the hon. member said that that was just what he did not intend. It is pretty hard to ask the House to accept a resolution as meaning something which its mover says it does not mean.

Mr. ROBB: Mr. Speaker, I am dealing only with the resolution as it is before the House.

Mr. GOOD: Mr. Speaker, will you call it six o'clock?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Outside of the recitals, Mr. Speaker, the amendment amounts to very little. I never liked these amendments, worded in such a form as to assume a very threatening and important aspect but really to contain nothing. The hon. member (Mr. Good), in answer to a question which I put to him, intimated that he intended that the amendment should empower the committee to inquire into any business whatever with a view to ascertaining the correctness of the assessment that had been made against it in any year; in a word, that the amendment intended to expose the affairs of whatever business might be under the suspicion of any member of the committee. He must have been somewhat surprised to find the Acting Minister of Finance state to him that the amendment meant nothing of the sort, and that because it meant nothing of the sort he intended to let it go; in a word, he intended to let the amendment pass by like the idle wind, just as the government lets many a motion go by on the assumption that it means nothing and will not do any harm.

Mr. GOOD: How could a committee investigate methods of assessment and collection without looking into some individual cases?

Mr. MEIGHEN: I do not know, but the unfortunate part of this amendment is that it does not say they will investigate anything. It says they will inquire into the methods; that is to say, I suppose, they could summon the chief officer and ask him what his methods were, and having got his methods, the organization that is under him, the general plan and scheme of assessment and collection, they could debate that, and I presume make a report to the House upon it. I know that is just what is in the mind of

the acting minister, and he will dispute me now if I am wrong. That is the whole compass of the amendment as accepted by the acting minister. What an awful farce this is! What an awful farce! If the hon. member wants the Public Accounts committee empowered to inquire into and expose the affairs of businesses, let him say so in his amendment, or get one of his friends to do so —they cannot do so now in an amendment to this amendment, but the hon. member himself should have said so, and then the House would have had something to deal with. Now we are simply wasting time. This amendment, if it passes, is accepted by the government just because it is innocuous. It is a fraud on the House of Commons. It will not get anywhere; it will lead to no investigation; it is merely a method of evading the subject. What is the use of the hon. member saying, I am prepared to accept an amendment? You cannot move an amendment. He has brought something before the House that means nothing, but I presume it will enable someone to go out and say: We proposed that the committee should know all these facts; and enable someone on the government side to say: We accept the amendment from the Progressive party.

Mr. GARLAND (Bow River): Does the hon. member suggest that that was the motive underlying the motion?

Mr. MEIGHEN: I do not know what the motive was. I will have to leave the suggestion as to it to my hon. friend.

Mr. GARLAND (Bow River): But surely he is sincere in the matter?

Mr. MEIGHEN: The hon. member?

Mr. GARLAND (Bow River): Yes.

Mr. MEIGHEN: Well, if he is, he is taking a strange method of getting anywhere. He gets nowhere by this amendment. The hon. member must recognize that from the speech of the Acting Minister of Finance.

Mr. GARLAND (Bow River): Will the right hon. gentleman suggest a method that would get action?

Mr. MEIGHEN: I do not know that I have been constituted a tutor to the hon. member for Brant. When I have a course to pursue in the House, I put my course in plain language.

Mr. GARLAND (Bow River): It might help hon. members who are anxious to get this action.

[Mr. Meighen.]

Mr. MEIGHEN: I am afraid hon. members are helpless. They have gone so far, there is no use suggesting anything. If the hon. member wanted me as counsel he might have come to me before. I had no notice whatever of this amendment; I had no idea it was coming up. Now, in the form in which it is before the House it is innocuous, and for the reason that it is innocuous the government accepts it, and for no other reason whatever. Nothing in the way of a motion in this House gets such a warm welcome from the administration as one that means nothing, and that is the reason for the splendid welcome that the hon. member's motion got from the Acting Minister of Finance.

Now as respects this part of the House. We are responsible for the legislation which is on the statute books. We take full responsibility for it; we believe it is the right legislation. However, if this government does not believe it is the right legislation, it is the responsibility of this government to propose an amendment. The House is quite competent to change the act, if in the judgment of the government it should be changed. We do not think it is in the interest of the country that there should be this exposure of private affairs. We believe these taxes must be collected on much the same principle as other taxes are collected. Officials must be provided, there must be supervision by members of the government, there must at the same time be availability of facts on any allegation of wrongdoing or malfeasance of office. These are the principles that we thought correct. We did not believe that any member of this House had any right to expose before the country any single feature of one of these details, unless it has been brought out in the regular way with all opportunity for disclosing the surrounding circumstances and presenting the other side of the case. I never thought it was honourable to throw before the country one exposed fact or allegation of fact. Hon. members on the other side thought differently, and wherever they could get even a rumour or allegation of fact—as for example in the Riordon case—they flaunted it before the country when they knew there was no opportunity for full disclosure, or that all the surrounding circumstances could be known. If any hon. member feels that the system should be different I would welcome a motion placing before this government the responsibility of establishing a different system. We took the responsibility when we were in office. I know of no reason why this government should evade it; and if hon. members to my left

feel that there should be full disclosure of the facts of individual businesses, so that individual members of the House could determine whether assessments were right or were wrong, whether the terms were right or were wrong, then let an hon. member move to that effect and let the government take its position. But I am a little impatient of motions which simply evade the whole question and give the opportunity to the government to evade it.

Mr. T. G. McBRIDE (Cariboo): Mr. Speaker, I am absolutely opposed to this amendment for the simple reason that I do not think it is fair to business men that such an amendment should be passed. I know a large number of business firms in Vancouver, who call in a chartered accountant, every six months, and have their books audited. When they have this done they give notice to the income tax office and an officer is sent down. He checks over the firm's accounts and the assessment is based on that showing. But the information so afforded is given with the direct understanding that it is confidential. That being so, why should other people be allowed to have this information to satisfy their idle curiosity, and in many cases that is the motive which prompts them to ask for an amendment of this kind. I think if the House adopts any such amendment it will make a very great mistake. In my opinion those who framed the Income Tax Act used good judgment, and the government has no right now to interpret it in such a way as to permit the disclosure of the business of any firm to the public. As the law now stands that is not done. If I had any criticism to offer in connection with this affair, it would be that in my opinion the salaries paid to the officers in charge of the Income Tax branch are not in keeping with the responsibility which devolves upon them. However, that is for the government to say.

Mr. FORKE: I merely wish to make this explanation. I was not in the House when the amendment was read from the chair and I have never seen it. Therefore I do not feel in a position to offer any remarks in respect to it.

Mr. H. E. SPENCER (Battle River): I think the member for Cariboo (Mr. McBride) totally misconceives the idea held by the mover of this amendment; he (Mr. Good) does not want to inquire into the details of anyone's business. At the same time if corporations or individuals are not paying the taxes they should, there ought to be some way of ascertaining the facts, and whether there is anything wrong or not. If it is to be held that the books of the department are private and that we, as members of parliament, have no right to get any facts in such cases, I should like to ask how we are going to find out whether the government is or is not being defrauded of moneys that it should be collecting?

Mr. SPEAKER: Is the House ready for the question?

Mr. GOOD: I understand, Mr. Speaker, that I have not the right to speak again.

Mr. SPEAKER: Paragraph 2 of rule 21 reads as follows:

> A reply shall be allowed to a member who has moved a substantive motion or the second reading of a bill, but not to any member who has moved an order of the day, not being the second reading of a bill, an amendment, the previous question, an adjournment during a debate, or an instruction to a committee.

Under this rule the hon. gentleman cannot reply.

Mr. GOOD: I was going to ask if I might have permission to submit four questions to the Acting Minister of Finance?

Mr. SPEAKER: By leave of the House, the hon. member certainly can.

Mr. GAUVREAU: Are you breaking the rule, Mr. Speaker?

Mr. SPEAKER: By unanimous consent of the House the hon. member's wish may be granted.

Mr. GAUVREAU: No, we have had enough of it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is important to make clear to the House particularly in view of the remarks of my hon. friend from Cariboo (Mr. McBride) just exactly what the amendment proposes. The leader of the Progressive party may be interested in learning the substantive part of the resolution which is as follows:

> That in the opinion of this House it is expedient that the standing committee on Public Accounts be and the same is hereby instructed to investigate the methods by which the business profits and income taxes, especially in the case of large concerns, have been assessed and collected.

My hon. friend will see that that does not necessitate the disclosure of private business or the business of individual firms. If it did occasion such disclosure it would occasion a

violation of the section of the statute which says:

> No person employed in the service of His Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under the provisions of this act, or allow any such person to inspect or have access to any written statement furnished under the provisions of this act. Any person violating any of the provisions of this section shall be liable on summary conviction to a penalty not exceeding two hundred dollars.

It does not follow that because the business of individual firms may not be disclosed before the Public Accounts committee there may not be need for this resolution. There is, I think, in the minds of a good many considerable doubt as to the methods being employed in assessing taxes. For example, to what extent account is being taken of watered stock, how exceptions are arrived at and matters of that sort. I think it would be very much in the public interest to have doubts of that kind removed, and for that reason the government is quite prepared to accept the amendment which has been moved. It may well be that the Commissioner of Taxation is proceeding in accordance with methods that will commend themselves to the judgment of the House. It is possible that in some particulars methods may be employed which would not be countenanced if the House were fully aware of them. In any event there appears to be doubt, in the minds of some persons as to the methods that are being followed, and if the course suggested by the amendment will help to remove doubts of the kind I should think a reference to the Public Accounts committee would serve a useful purpose.

Mr. GOOD: May I ask the Prime Minister if he understands that the Public Accounts committee has no power to inquire into any particular case?

Mr. MACKENZIE KING: The Public Accounts committee, like every other committee of the House, is subject to the laws of the land. The Public Accounts committee can operate within the scope of its authority, but it cannot violate any provisions of existing statutes.

Sir HENRY DRAYTON (West York): I do not know that I can usefully add very much to what I said on the 27th May. I think I made my position very plain. There may be some hon. gentlemen, however, in the House now who were not in the House at that time. I invited discussion then. I invite it now; that is provided those in whose hands the good faith of this country now is reposed desire to break faith. I have nothing to fear from investigation. It so happens that at present I am not in any way the keeper of the country's good faith. Attacks were made by gentlemen across the floor which were absolutely without foundation, which attacks I could not answer, because I could not keep faith on the one hand and give an answer on the other. Yes, the attacks were made with impunity, because the authors of these attacks thought I would have enough decency and honour to preserve the secrets of the department which were within my knowledge. Attacks were made on me indeed, by gentlemen who should have been very much interested in seeing that the proper secrets of the ratepayers were held inviolate.

The question is entirely one for this government. I am perfectly prepared tomorrow to go into an investigation, which would have to do with the only things that would be useful in a case of that kind, namely: What was done here and what was done there, what this man paid and what he ought to have paid. I am perfectly willing to go into it to-morrow morning. It is not for me to say. When I was keeping the conscience of the department I believed in keeping faith. Gentlemen across the floor were making attacks which they did not believe in, which they knew were wrong, which their own Finance Minister (Mr. Fielding) deprecated when he took occasion in this House to say that he never associated himself with them. and attacks which my hon. friend the Acting Minister of Finance (Mr. Robb) said this session he never associated himself with. But these attacks were made, and if attacks of this character are to be made, the only logical thing to do is just what the hon. member moving this resolution (Mr. Good) desires done. His idea is that you can do nothing useful here unless you find out concretely what was done. That is the thought of everybody. Was there a charge made against me in that campaign as to theory and as to principle? Not at all. The charge was specific having regard to specific taxes and specific individuals; and every one knows that the only successful way in which you can ascertain how an act has worked out, is to apply to it those very principles in question. Every one knows that. I am quite free to make that admission now. On the other hand, it is a good deal better that scurrilous attacks should be made and put up with, rather than that politicians should suffer, or that the business of the country should suffer. I am quite prepared to admit that, and I am quite willing to admit that the legislation which is now on the statute

books is the legislation of every civilized country in the world that desires to carry on, of every government that desires to see business carried on properly, of every administration which does not want to expose its business men to the venom of the busybody, or perchance to the blackmailer, by divulging to any one who asks for it, the business secrets of the organization.

Just think what the converse would mean. What chance would business men have if a stronger competitor could get information as to the inside of all his business, his results and the like, and know just exactly where to squeeze him. There are a lot of businesses, particularly to-day where the accounts show results which are not obtained entirely by the application of strict business principles, businesses where losses have taken place, where things are not going in the way they ought to be going—hundreds of them—and why? By reason of writing off depreciation and other similar charges. Just see what it means. If the results of the patient, painstaking stock-taking of a concern under these circumstances were made public, what would it mean? A wealthier or stronger concern would be able to see exactly how close that company was to insolvency and would be able to calculate, as a matter of days, if certain cuts were made, how that competitor could be put out of the way. That is just how it would work out. These are a few of the reasons why all countries that have any serious interest in business want these things kept in such a way that business can still be carried on.

The Prime Minister suggests the necessity of this investigation on account of watered stock. Is that suggestion not ridiculous? Any member of this House in five minutes can satisfy himself on the point as to what is actually done and the instructions given in connection with watered stock. In that inquiry as to watered stock, apart from the general instructions and general policy, how much further will you get, unless you go into particulars to see whether that policy has been lived up to or not, and how are you going to get those particulars, unless again this government breaks faith with its taxpayers? There is no secret whatever in the situation as to watered stock. Everybody who takes the trouble to look at the act knows it and it is no secret whatever.

I really would like to see something definite done one way or the other. Is the government content to waive the provisions of the act which in the last general election were alleged by hon. gentlemen supporting the Liberal party to have been specially arranged so that one, Drayton, could get behind them? That is not only what was said but what certain newspapers printed. I should like to have something definite on this. I should like to know whether faith is to be kept or not, and if it is not, I want a hand in that inquiry. I can assure my hon. friends that it will be a bigger one than is here proposed; that I shall have not one answer but many more than one for everything that was said in connection with Riordon. How absurd the whole of this tissue of calumny was! Just for a few months did I know anything about the Riordon matter. My hon. friends have been in office and they have known all about it for two and one-half years. What have they done? Absolutely nothing. Pulp was away down; in the United States, our great market for the product of the Riordons' business was very bad in 1921, particularly bad in the summer of 1921. The market was off. Since then we have seen wonderful activity. We have seen that market taking all the pulp, yes, all the paper that can be offered. We have seen the price advance, yes, multiply. We have seen properties sold at far higher prices than they could have been sold at in those days. But nothing has been done. Why, some hon. gentlemen opposite thought that there should be a royal commission to investigate the Riordon charges. Yes, I was to be the subject of a royal commission. I have mentioned it before. I have invited it. I am getting tired of giving the invitation, but the invitation still stands. I should like an opportunity of meeting some of those valiant gentlemen before a royal commission where an oath could be taken and where it would amount to something. I should like something definite about this matter. Why, the last statement to the Riordon creditors—that is no secret now—shows that not a single soumarquee had been collected, nothing done by these hon. gentlemen that were so virtuous, so insistent and so indignant at a few months' delay. Yet nothing is done for two and a half years. I wonder if we can get something really straight and concrete, because I should like to have it.

As I said before, putting up with what I have put up with, I still say that, as a matter of public honesty, the act ought to be observed; but if that course is to be taken let it be taken openly, firmly, honestly. Do not let us have any more shilly-shallying about this. Either say we can go into this matter or not, what is the use of passing this resolution in view of the declaration already made on the one hand that details cannot be given, and, on the other hand, that details can be given. Why should this House not know that? I want to know it and I want to be

there with my details. Should there not be an end of this beating about the bush and an honest position taken fairly and squarely? As the matter stands now, it is useless to vote for the resolution; it is useless to vote against it. It is simply another negation. Will the government not take a stand now firmly one way or the other? Either let us know that we can give details and be present with them, or else state definitely that that cannot be done; that the thing is a farce.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, I should like to have a little more light on the statement which the Prime Minister made a few minutes ago. which seems to me to involve very directly the rights and powers of this parliament. We have been at this session refused admission to important documents which have passed between the Motherland and this country that bear on the relationship of this country to other nations. Within the past few weeks the government has refused to give information to a committee of this House with regard to the persons present at a cabinet meeting. Within the past few weeks we have been practically told that we have no right to make inquiries into the expenditures of the Canadian National Railways. Only to-day we were told that we had in the Civil Service Commission a body over which we had practically no control. To-day, a few minutes ago, we are told apparently that our tax commission is also a body that is beyond our control. Do I understand from the Prime Minister that this parliament has no right to order an investigation into methods of taxation or into any matter whatever affecting the welfare of this country? The Prime Minister quotes certain provisions of the act. As I understand that act, the provisions bind officials of the department to secrecy with regard to such information as comes before them. But I can hardly understand that the Prime Minister means that that act prohibits this parliament from making inquiries. I thought that this parliament could give instructions to any committee and that that committee could call before it what witnesses it would and ask from them what questions it would. Surely we are not going to abdicate all the rights of this House and say that we have erected all sorts of councils, commissions and departments which are out of our control? I should like to ask a little more definitely from the Prime Minister his understanding of the powers of parliament in this regard.

Mr. MACKENZIE KING: May I say to my hon. friend at once that parliament is all powerful to do whatever it wishes to do; but when parliament has enacted a law which prescribes certain conditions and lays down certain obligations, members of parliament. like the public generally, are obliged to respect the law as it stands. My hon. friend has made to-night a number of statements which, if permitted to pass unnoticed, would convey an entirely wrong impression to the public. He intimated, for example, that we had a Civil Service Commission which, he had been told, parliament could not control. Neither he nor any other member of parliament was ever told any such thing. There is in the statutes a law which gives certain powers to the Civil Service Commission, and as long as that law remains there, members of parliament, the government itself, are bound by that law. Parliament can amend, or change the law when it wishes to do so; but until parliament decides to amend and change laws, they must be respected by members of parliament as well as by everyone else.

As regards the matter under discussion at the moment, parliament has declared in a very special way what the obligations are upon certain public servants filling positions of trust. If my hon. friend wishes to bring in an amendment to the statutes and have it discussed, to do away with that obligation, he has a right to bring his amendment here and have it discussed, and if parliament decides to alter the law, the law will be altered and conditions will be changed.

Mr. WOODSWORTH: Do I understand that without the alteration of that law, that is without special legislation, parliament has no right to make such an inquiry?

Mr. MACKENZIE KING: Where parliament has legislated specifically in regard to any particular matter every committee of parliament must take cognizance of such legislation, for it is the law of the land. Parliament has made certain matters criminal; hon. members cannot commit crimes and not come under the law of the land; and because a man is a member of parliament it does not follow that in his conduct or in the assertion of his rights he has any right to supersede any law. Parliament can change the law in any respect or can remove from the category of crimes such acts as at present are constituted criminal; parliament may remove from the statute certain inhibitions which it has created. But so long as any act stands it must be respected.

Mr. GOOD: Does the Prime Minister contend that section 14, which has been quoted, has any applicability whatever to this House?

Mr. MACKENZIE KING: Every statute applies to every member of parliament just as it applies to every citizen of the country. My hon. friend shakes his head; he says no. Does he argue that a member of parliament is exempt from the provisions of the law?

Mr. WOODSWORTH: Is there not a difference between an individual member of parliament and parliament itself?

Hon. GEORGE P. GRAHAM (Minister of Railways): I happened to be in the House when this legislation was being discussed and I urged very strongly, as did others, that there should be an income tax, believing that this was a good way of finding money where money existed. But I did agree and am still of the opinion that any provision that would allow the examination into the private business of any firm or individual would not only be bad legislation but that it would wreck the results of the income tax law; because men can devise means of hiding their business transactions if they know that those transactions are to become public. This policy would be a fruitful field for the blackmailers and for all kinds of busybodies who perhaps might have no great interest in income tax themselves but who would fuss a good deal about the income tax of other people not being paid. It would make the conduct of business impossible so far as it related to the income tax.

I am strongly of the opinion that the income tax law is a just law. Theoretically we can talk on a good many subjects with more or less lucidity; but we have to be practical business men particularly in considering legislation which has to do only with business men. There is therefore no sense—and I do not say this offensively—in our endeavouring to find some means by which we can circumvent one of the protections that are afforded to those who are doing business, and so disclose the full particulars of people's affairs. One can imagine very many cases in which mischief might be done. I may refer to the Canadian National Railways, to which reference was also made by my hon. friend from Centre Winnipeg (Mr. Woodsworth). The ex-Minister of Finance (Sir Henry Drayton) made out the whole case for the railways; he thought that it would be very detrimental to any company or individual if they were compelled to hand their private business over to the tender mercies of a rival for dissection.

As to the government's taking the ground that they must not say even who was at a cabinet meeting, the government did not take any such ground. Those handling the case took the ground that they must not answer that question; for my part I answered, before the objection was taken, that I did not remember who was present; nor did I and members of the government who have attended cabinet meetings know that, except for some particular business between themselves, they never remember forty-eight hours after just who were present at any meeting. Their own business they will remember, and they will recall those who took part in the discussion; but apart from that their recollection will not be very precise. That, however, is merely by the way.

Let me point out that this parliament has a constitutional method of enacting legislation and of placing its views upon the statute books; and that is what the statute books are for. Parliament cannot one day pass an act, making the whole country liable to it, and the next day through a committee violate that act. That could not be done. What would be the good of a statute if a committee could say, "We do not care anything for the statute; parliament has appointed us a committee to do certain things and we will do them irrespective of that law"? The king himself could not violate a statute without being brought to task, and this parliament has no right to break its own laws, it has no right to do so, either as a matter of law—if lawyers will allow me to say so—or as a matter of fair play and justice to the taxpayers who have sent them here. If this information is required by parliament the right procedure is to repeal the statute and then let the committee fire ahead. But I am not in favour of this information being given, because I believe the business of the country at the present time is more sensitive than it has ever been before. If we repeal this statute we shall do more to injure business than all the one-horse investigations which may be carried on will do to help it.

What I am about to say is perhaps a little afield, but I am constrained to make this observation. The whole world just now seems to have a mania for investigating everybody but itself. Men in every parliament almost at the present time are on the lookout to see if they can find cause for investigating the other fellow for the purpose of getting something on him, as the saying is.

Mr. WOODSWORTH: They have managed to do it in the United States.

Mr. GRAHAM: But they do not violate a statute in doing it; and perhaps when the votes are polled it will be found that the news-

paper headings did not amount to so much after all. You never can tell until the votes are in just how the public views these things. Generally speaking, if the public men of the world are held in a measure in disrepute it is their own fault, not because of any guilt on their part but by reason of the fact that people are all the time wanting to investigate rather than legislate. I do not know on the whole that any of us will get anywhere by trying to investigate someone else, because there is so much bad in the best of us and so much good in the worst of us, that it ill behooves any of us to talk about the rest of us.

Mr. FORKE: That is not bad.

Mr. GRAHAM: So far as this motion is concerned, I say frankly I would not allow the details of any single transaction to be gone into in the committee; that cannot be done unless the statute is repealed or amended. There may be some general principles on which conclusions are arrived at, such as methods of bookkeeping and so forth, which might be investigated in a general way. But I would be absolutely opposed to compelling John Brown or Bill Smith to open his books to Tom Jones for Tom Jones to poke his nose into them.

Mr. MEIGHEN: I am thoroughly in accord with the doctrine the minister expounds. Will he say, in the face of that, that it is fair to scatter through the country a report as to any detail of any individual business?

Mr. GRAHAM: I should not think that the committee having got at the details would then scatter them.

Mr. MEIGHEN: Does the minister think that it is fair or honourable that such a thing should be done in face of the fact that an investigation cannot be held?

Mr. GRAHAM: I do not know just what the hon. member is driving at.

Mr. MEIGHEN: My question is perfectly clear. I should like the minister to be as frank now in answering it as he was in expounding that doctrine. I commend him for defending the law, as well as shielding himself behind the law. The man who shields himself behind the law ought to defend it. Now will the minister be as frank in answering this question: In view of the admitted impotence of the government to investigate the necessary details, is it fair to scatter a rumour of details as to any individual concern?

[Mr. Graham.]

Mr. GRAHAM: I am not here as judge in any case.

Mr. MEIGHEN: He should be frank.

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): I am not at all sure that I agree with the law as it has been laid down by some hon. members. I think the statute is directed to preventing an individual employee from giving information in the course of his employment, and that means to any member of the public. I very much doubt if the statute at all prevents the exhibition of this information to the high court or parliament itself, but I prefer to put my ground for voting against this resolution on a very different plane. The mover has left this proposal, apparently purposely, in an absolutely nebulous, chaotic state; he has asked for parliament to send it to a committee without any additional facts and without any specific direction, and he has expressed to the House his entire willingness to have any change made that anyone else will offer which will make his motion wider. The hon. gentleman had control of the drafting of his amendment, and he could have made it wide enough to get at the specific thing which he desires to get at. I object to any more time being taken up in discussing some general principles or some theoretical possibilities in connection with our legislation. We have had altogether too much of that, and too little of the practical. We can sit in some committee for hours and discuss the whole scheme of the Income Tax Act and the Business Profits Tax Act over again. But are we going to get any further? Has anyone got a specific change to suggest? Does anyone say that the principle of income taxation is unfair? You will know nothing more when you get through an investigation of that character than you know to-day by intelligently reading the act. But we are not given the alternative, we are not given the form the hon. mover suggested the investigation might take—that of specific inquiry. Therefore it is fair to conclude that this is simply one of the usual sandstorms that is blown up to attract public attention to some gentleman who poses as a great saviour of the unfortunate downtrodden people. He takes mighty good care not to put any punch into his proposition so anybody can possibly be hurt. To him the glory and to nobody any suffering. I am not going to vote for an investigation of that kind.

If the gentleman who moved this resolution had himself carried out his invitation to this House to add other language to it, we would

have had a sort of snooping, prying, suspicious investigating committee with nothing absolute referred to it, a committee that would have hunted around to try to find some spot or some flaw in somebody's character, and without any member of parliament daring to put his finger upon a specific act of wrongdoing and lay a charge against any officer of this country or any member of the public. I will not vote for that sort of thing. I believe parliament has power to get at the facts, I do not think we are crippled by the statute, but I think we are withheld by our sense of fair play against entering upon any such speculative investigation. As the Scotch bard said, God save us from the unco' guid and the rigidly righteous!

9 p.m.

The House divided on the amendment (Mr. Good) which was carried on the following division:

YEAS

Messrs.

Arthurs,	Kennedy (Glengarry & Stormont),
Bancroft,	King (Huron),
Beland,	King, Mackenzie (York),
Benoit,	Knox,
Binette,	Kyte,
Bird,	Lanctôt,
Boucher,	Lapierre,
Bourassa,	Lapointe,
Bretheu,	Lewis,
Brown,	Lovett,
Caldwell,	Lovie,
Campbell,	MacLean (Prince, P.E.I.),
Cardin,	Macphail,
Copp,	McConica,
Crerar,	McCrea,
d'Anjou,	McGiverin,
Davies,	McIsaac,
Dechêne,	McMurray,
Denis (St. Denis),	Mercier,
Descoteaux,	Michaud,
Drummond,	Millar,
Elliott (Dundas),	Milne,
Euler,	Munro,
Evans,	Papineau,
Fansher,	Pelletier,
Findlay,	Prevost,
Forke,	Raymond,
Fortier,	Reed,
Fournier,	Roberge,
Gardiner,	Robitaille,
Garland (Bow River),	Ross (Simcoe),
Gendron,	Sales,
Gervais,	Savard,
Good,	Séguin,
Gould,	Speakman,
Graham,	Spencer,
Halbert,	Stewart (Argenteuil),
Hammell,	Stewart (Humboldt),
Hodgins,	Stork,
Hudson,	Sutherland,
Hughes,	Thurston,
Humphrey,	Vien,
Hunt,	Warner,
Johnston,	Woodsworth,—89.
Kennedy (Edmonton),	

NAYS

Messrs.

Baxter,	Hocken,
Black (Halifax),	Hubbs,
Boys,	MacLaren,
Charters,	Maclean (York),
Church,	McBride,
Dickie,	McDonald (Timiskaming),
Doucet,	Meighen,
Drayton (Sir Henry),	Neill,
Duff,	Preston,
Finn,	Pritchard,
Forrester,	Stewart (Leeds),
Garland (Carleton),	White,
Grimmer,	Woods,—26.

Mr. MARTELL: I was paired with the hon. member for East York (Mr. Harris). Had I voted, I would have voted for the amendment.

Mr. MEIGHEN: Now that the government has succeeded in defeating itself, may I ask when we may expect its resignation?

Mr. MACKENZIE KING: The government indicated that it would accept the amendment of my hon. friend, and in its action in so doing has been sustained by the House.

Mr. MEIGHEN: On an amendment to its own motion!

Mr. MACKENZIE KING: It is quite proper, if the government so chooses for it to accept an amendment which is not moved in any sense as a want of confidence motion—if the government believes in the wisdom of the amendment, and it is sustained by the House, that is all that is necessary.

Mr. SPEAKER: Shall the main motion as amended be carried?

Mr. MEIGHEN: The main motion as amended cannot be carried. The main motion is lost; the amendment is carried.

Mr. SPEAKER: The main motion as amended is lost.

Mr. MACKENZIE KING: I move the House do immediately resolve itself into committee of Supply.

Mr. MEIGHEN: I take the ground that as the motion to go into committee of Supply is defeated, the House cannot go into committee of Supply.

Mr. SPEAKER: Bourinot at page 421 provides for such a case:

> If an amendment has been carried in the affirmative, then it is the practice not to allow the committee of Supply to drop—for that is not the intention in moving amendments at this stage—but to propose a second time the question for the Speaker leaving the chair. It will then be moved—"That the House do on. . . . next resolve itself into committee of Supply."

Or, when it is necessary to proceed at once with the estimates it will be resolved "That this House do immediately resolve itself into committee of Supply."

Mr. MEIGHEN: I do not think it can be supported from any British authority. The proviso there has some significance. The government having been defeated on its own motion to go into supply cannot again that day move the House into supply.

Mr. SPEAKER: The question is very clearly put here. I will send the authority over to the hon. member.

Mr. MEIGHEN: What is the significance of "when it is necessary"?

Mr. SPEAKER: Bourinot says:

It will then be moved—"That the House do on. . . . next, resolve itself into committee of Supply." Or, when it is necessary to proceed at once with the estimates it will be resolved "That this House do immediately resolve itself into committee of Supply." Mr. Speaker will then again propose the question for his leaving the chair, which is generally agreed to, although it is quite legitimate to propose amendments and debate various matters.

According to May, this is also the British practice.

Mr. MEIGHEN: The point I am taking now is this, that even accepting Bourinot, which I submit is opposed to the British authorities, there must be some significance to the proviso "when it is necessary". Such a case might possibly arise when it was the last day of the session, but in a case like this there is no necessity. The wish of the government does not make it a necessity.

Mr. MACKENZIE KING: Mr. Speaker, I submit that the government, not the leader of the opposition, is the judge of the necessity of the case.

Mr. MEIGHEN: If it is, the rule amounts to nothing.

Mr. VIEN: Test the confidence of the House.

Mr. SPEAKER: It is moved by the right hon. the Prime Minister, seconded by Mr. Graham, that this House do immediately resolve itself into committee of Supply. Is it the pleasure of the House to adopt the motion?

Motion agreed to, and the House went into committee of Supply.

SUPPLY

MARINE AND FISHERIES

The House in committee of Supply, Mr. Gordon in the chair.

Ocean and river service—maintenance and repairs to Dominion steamers and icebreakers, $1,500,000.

[Mr. Speaker.]

Sir HENRY DRAYTON: What was spent under this vote last year?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): $1,467,425.

Sir HENRY DRAYTON: We have repairs apart from maintenance. What was our repair bill last year, and where were the repairs made?

Mr. CARDIN: The repairs were made at the place where the vessels happened to be at the time—Halifax, Victoria, St. John, Quebec, Sorel, Montreal.

Sir HENRY DRAYTON: Would the minister give us the names of the icebreakers now?

Mr. CARDIN: The Lady Grey, the Stanley, the Montcalm, and the Mikula.

Sir HENRY DRAYTON: I apologize to the Minister of Justice if I do not pronounce the name "Mikula" correctly; I know how fastidious he is in a matter of that kind. Now, is this name the result of a second christening? If so, what was the original name of the ship?

An hon. MEMBER: What difference does it make?

Mr. LOGAN: "A rose by any other name would smell as sweet."

Mr. CARDIN: This vessel was first called the "J. D. Hazen."

Sir HENRY DRAYTON: What happened to her afterwards?

Mr. CARDIN: She was sold to the Russian government.

Sir HENRY DRAYTON: Did they give her the name "Mikula?"

Mr. CARDIN: That was the name given to her by the Russian government.

Sir HENRY DRAYTON: What has the Mikula cost since we re-purchased her?

Mr. HOCKEN: Why not change the name to something more distinctive?

Mr. HANSON: They might call her the "Alexander Johnston."

Mr. HOCKEN: Or the "George P. Graham."

Mr. CARDIN: The figures are as follows:

Original cost..	$436,000
Repairs, 1922-23..	6,749
Repairs, 1923-24..	49,890
Total..	$492,639

Sir HENRY DRAYTON: What are the dates for the active campaign in ice-breaking?

Mr. CARDIN: The requests begin about the middle of January, and the work lasts up to the middle of April.

Mr. HANSON: What is the ship used for at this time of the year? Is she in commission?

Mr. CARDIN: No, she is laid up.

Mr. HANSON: What is about the annual cost of operation for that short season?

Mr. CARDIN: The cost is $192,800.

Mr. HANSON: What crew does she carry when in commission, and how much of a crew while she is not in commission? That is a large sum of money for the maintenance of a ship for a period of less than four months in the year.

Mr. CARDIN: She carries a crew of 84 men when in commission.

Mr. HANSON: How many when she is laid up?

Mr. CARDIN: When she is laid up the crew consists of from 15 to 20 men.

Mr. HOCKEN: What have 15 to 20 men to do on a ship when she is laid up?

Mr. CARDIN: We have to take care of the boat. It is necessary to have watchmen on the boat, and we have to keep her ready to render salvage service.

Mr. HANSON: What character of work?

Mr. CARDIN: She is fitted for salvage work.

Mr. HANSON: Does she keep steam up the year round?

Mr. CARDIN: Yes.

Mr. HANSON: Where is she located when she is laid up?

Mr. CARDIN: Located in Sorel a week or two ago.

Mr. HANSON: How much salvaging does she do at Sorel?

Mr. CARDIN: The salvaging is not done at Sorel; but she is capable of doing salvage work when it is necessary.

Mr. HANSON: Has she ever done any salvage work since her purchase?

Mr. CARDIN: No.

Mr. HANSON: Has she ever been requested to do any since her purchase?

Mr. CARDIN: There was no call for it.

Mr. HANSON: How does the minister justify retaining 15 to 20 men on a ship that is laid up, and under no request for any kind of useful service? Is it true the department keeps on the whole staff—captain, first mate, second mate, third mate, first engineer, second engineer and third engineer?

Mr. CARDIN: We keep only two officers, the engineer and some men to perform necessary work on the ship. We also have the watchmen.

Mr. HOCKEN: Do you keep the cook on the boat?

Mr. CARDIN: Yes, for these men.

Mr. HOCKEN: And the midshipmite?

Mr. HANSON: How many ships has the department in use, what are the names and where are they located?

Mr. CARDIN: The ships under this item are 28 in number. Of these ships 20 are used on the Atlantic coast and the St. Lawrence, four on the inland waters, and four on the Pacific coast.

Mr. HANSON: What are the names of the ships on the inland waters?

Mr. CARDIN: The Concretia at Prescott, the Grenville at Parry Sound, the Murray Stewart at Parry Sound, and the Scout at Prescott.

Mr. HANSON: Is the Murray Stewart the vessel bought from Mr. J. F. M. Stewart, an alleged shipping man of Toronto, who has some relation with the Home Bank?

Mr. CARDIN: Yes.

Mr. HANSON: What is she used for?

Mr. HOCKEN: Salvage.

Mr. HANSON: Was she used as an icebreaker to take the place of another vessel?

Mr. CARDIN: Yes, but she was not an icebreaker.

Mr. HANSON: She was purchased for $80,000 as an icebreaker, but turned out not to be an icebreaker? Is that not the fact?

Mr. CARDIN: This vessel was bought to replace another one which has been destroyed, and this one is much stronger and is capable of taking care of herself in the ice.

Mr. HANSON: Is it not a fact that she was laid up at Midland, Ontario, during the last twelve months because she was not fit

to perform the work for which she was intended when purchased, and that the government had to hire private tugs to perform this work?

Mr. CARDIN: No.

Mr. HANSON: It is not the fact?

Mr. CARDIN: No.

Mr. HANSON: Is it not the fact that after the government purchased that boat large sums of money had to be spent to get her in condition?

Mr. CARDIN: Some money was spent, but not a very large amount.

Mr. HANSON: How much?

Mr. CARDIN: In 1922-23 we spent $1,300.

Mr. HANSON: On her boilers?

Mr. CARDIN: No, generally, hull and engines. In 1923-24 we spent $7,100.

Mr. HANSON: Was that work done by tender or by day work, and where was it done?

Mr. CARDIN: By tender and contract.

Mr. HANSON: Is the minister aware that that boat was on the Atlantic in St. John harbour and was hawked all round the coast for $25,000 with no takers before the government purchased her?

Mr. CARDIN: We have no such information.

Mr. HOCKEN: What is the wage bill on these boats that are laid up waiting for somebody to call on them for salvage work?

Mr. CARDIN: For the Mikula, $39,000.

Mr. HOCKEN: I want to raise my protest against this wastefulness on the part of the government. This boat is laid up all summer presumably waiting to go out on a call for salvage, and the government is spending $39,000 a year for keeping people on the boat to do nothing, to eat their meals, to walk around the deck, to have a good time and, of course, to vote properly according to the expectations of the employer. That amount of $39,000 is being spent for nothing at all at a time in this country when I contend —and every reasonable man will agree with me—that there should be no wastefulness or extravagance at all. When men are going into bankruptcy because they are being sued for their income taxes, this government keeps one boat—and I do not know how many others—tied up to a dock at an expense of $39,000 in the summer months waiting for somebody to call on her to do salvage work, work that she has never done yet and has never been requested to do. I do not know how the minister justifies that kind of thing. Surely there must be some limit to the waste of the money of the taxpayers of this country. Can he give any justification for such wasteful expenditure? I suppose there is a captain on the boat and he must be employed all the year round although he can be doing nothing. I suppose there will be two or three engineers, twenty men employed there all the time. This is beyond the comprehension of any reasonably-minded man, unless there is some political matter behind it.

Mr. CARDIN: This vessel is not an ordinary vessel; she cost a very large sum of money, and we must have on her a man having the necessary qualifications to look after such an expensive vessel and to keep her ready for any emergency that may arise. It is in the interest of shipping generally to have this boat ready and available in case of need.

Mr. HANSON: What is the emergency that the minister has in mind that makes it necessary to keep twenty men on board this vessel at an expense of $39,000 a year?

Mr. CARDIN: I have already stated the reasons that are sufficient to keep these men on board. I am quite sure if we had not a proper number of men on board this boat with the amount of money she has cost the country, the criticism would come from my hon. friends that we were not taking care of the property of the state.

Mr. HOCKEN: Let us get away from that kind of bunk. If the minister says that we are to waste thirty or forty thousand dollars for fear of a little bit of criticism from the other side, he is not showing much common sense. This boat is tied up at Sorel, and there is no likelihood of a call being made on a boat like that. Why there should be a staff of twenty men on board her, no reasonable person can understand. In all the lake ports boats costing quite as much as this boat are tied up all winter. Of course they are not expected to go out on salvage, but they do not have twenty men on board, they have two or three watchmen, caretakers, and that is all that is required. That is all that is required in this case. The smooth explanation of the minister as regards the expensive piece of machinery will not go down with people who are overburdened with taxation. The explanation of the minister is no justification at all. If he has nothing

better than that, why can he not get one or two more officials to give him something that will appeal a little more to the committee? What we want in this country is economy, and if the minister, being a new broom, cannot sweep a little cleaner than this, he is not giving us all that was expected of him when he was appointed. I would imagine a minister, on taking office for the first time, would try to make a record for himself, would show a desire to effect some economies in his department. This is as wasteful as anything that has ever occurred in the Marine department, and that is saying a good deal. We ought to cut $50,000 out of this item for the caretaking of boats that he has tied up at docks.

Mr. MARTELL: It seems to me that the hon. gentleman would like these boats to lie idle, that is with the machinery all going to waste and no men on them. Then, if accidents occurred at sea, before the ship could go to the aid of the people requiring it, months would elapse. When I hear the hon. member for West Toronto (Mr. Hocken) speaking, particularly when he rises with that air of self-righteousness and endeavours to scold the government or any department for extravagance, I often wonder what his friends did when they were in power. In this regard, nothing has been done that is too much for the good sailors of the Maritime provinces and of the British Columbia coast. I will say, in conclusion, that my hon. friend reminds me very much of that old quotation, since we are in power and they are over there:

> The Devil was sick, the Devil a monk would be;
> The Devil was well, the Devil a monk was he.

Mr. HOCKEN: That is really comic. I did not think my hon. friend was capable of expressions of that kind and of contributing so much to the burlesque of the occasion.

Mr. MARTELL: The burlesque is over there.

Mr. HOCKEN: He tells us that when a ship at sea is in distress, this vessel would not be able to go out to aid it. If there was a crew of 84 on board and there was distress at sea, what chance would there be of her going to sea? She is tied up in Sorel, a thousand miles from the ship that is in distress.

Mr. MARTELL: Sorel hurts you.

Mr. HOCKEN: I think my hon. friend is himself in distress. Or perhaps he is like one of the salvage boats; he is trying to come to the relief of the minister. But he has not succeeded very well.

Mr. MARTELL: That is only your opinion.

Mr. HOCKEN: He has not said anything of any account, and in that respect he is only normal. I still think, notwithstanding what the hon. gentleman from Hants has said—this oracle of the Maritime provinces—

Mr. MARTELL: It is better to be a Maritime oracle than to be writing burlesque and circulating it.

Mr. HOCKEN: I did not get that.

Sir HENRY DRAYTON: You did not miss anything.

Mr. HOCKEN: If the hon. gentleman insists upon being obscure he cannot expect me to understand what he is talking about. But his attempt to come to the rescue of the mininster is a dismal failure.

Mr. MARTELL: In your opinion.

Mr. HOCKEN: No, that is the opinion of the committee.

Mr. MARTELL: It is only the hon. gentleman's opinion.

Mr. HOCKEN: What about taking a vote on it?

Mr. MARTELL: Go ahead.

Mr. HOCKEN: I am not surprised at my hon. friend's views, but he must not advocate extravagance and waste and try to excuse the government by throwing the responsibility on the preceding administration. I do not think there is any parallel at all between the record of the preceding government under normal conditions and the wasteful extravagance that is going on at the present time.

Mr. FINN: The preceding government was never normal.

Mr. HOCKEN: They were normal from 1911 to 1914 when the war broke out. But perhaps the hon. member forgets that there was a war.

Mr. FINN: I have a dim recollection of it.

Mr. HOCKEN: Things became somewhat abnormal about that time; what happened from 1914 until the present government came into power was all abnormal in the sphere of government, and there is no parallel between conditions then and conditions now. We have reached the time in this country when we simply must economize; but we are going

deeper and deeper into debt all the time. Our debt is increasing alarmingly, the increase this year being over $30,000,000. But notwithstanding that fact no effort is made by the government to practise economy, although in a matter of this kind there is an opportunity for retrenchment. We can cut down expenses even though someone may have to go and find another job on some other boat. This is a time when sailors should be able to find employment; it should not be necessary for them to be kept busy caretaking, waiting for a call from goodness knows where, perhaps an S.O.S. from the Isle of Wight or some place like that. This amount should be cut down.

Mr. DUFF: Before the hon. member for West Toronto worries any more about this matter perhaps he will allow an old salt water sailor to give a little information to a fresh water one.

Mr. HANSON: We have just had advice from the hon. member for Hants (Mr. Martell).

Mr. DUFF: Well, you are a fresh water sailor yourself. If the hon. member will permit me to go on, he can address the committee afterwards. This vessel, which is now called Mikula, was formerly known as the J. D. Hazen, having been named at that time after a celebrated politician from the province of New Brunswick, whence my hon. friend (Mr Hanson) also comes. Mr. Hazen was Minister of Marine in the Tory government from 1911 to 1917 and this vessel was built while he occupied that office. Under Mr. Hazen's regime the J. D. Hazen was built for the same purposes for which, as the Mukula, she is used at the present time; she was so engaged until she was sold to the Russian government. While she was in use under the Tory government she carried the same strength of crew, if not more men that she has now, and her expense was just the same. It amuses me to hear either the hon. member for York-Sunbury (Mr. Hanson) or the hon. member for West Toronto (Mr. Hocken), or even my genial friend the ex-Minister of Finance (Sir Henry Drayton), criticising the present administration in regard to this vessel.

Sir HENRY DRAYTON: I have not started yet.

Mr. DUFF: My hon. friend made a fair attempt but he did not get very far. There is no question that this ship is necessary for service on the St. Lawrence. It is true that during the summer months after the ice has disappeared there is not much for her to do; but how could the department hope to retain her officers and crew if it hired them for only three or four months of the year during the ice breaking season? The captain of this ship is one of the best sailors in the country; I know him very well and I can inform the committee that he is one of the most experienced men in his line in Canada. I think therefore that the department is doing the right and proper thing in retaining him on salary for twelve months even although the vessel is laid up at Sorel or somewhere else waiting for a call.

The hon. member for West Toronto evidently does not understand what salvaging means; let me explain the term to him as briefly as I can. As everyone knows, the river St. Lawrence has a tortuous channel and in the summer months when the big steamers arrive from the Old Country they are apt to get into difficulties in going up the river. I think it is a wise precaution for this government as it was for the Tory government when they were in power, to keep the Mikula, or the J. D. Hazen as she was then, or the Earl Grey or some other ship in readiness to go to the relief of vessels when necessary. The fact that no salvage claims have been made is something to be thankful for, and no one complains in that respect. Shipping men and those who have goods to export from Montreal to Liverpool should be thankful indeed, in the first place, that the Mikula is ready to go to their assistance, and in the second place that there is no occasion for her to go. The very fact that no claims have to be made tends to make a difference in the insurance. A few years ago when the Empress of Ireland was sunk in the St. Lawrence by a coal boat coming from Sydney, if a boat like the Mikula had been then in readiness it is possible that a great many of the passengers would have been saved. Does my hon. friend from West Toronto suggest, in the face of that, that this boat should be laid up, her fires drawn, and the crew discharged, so that if an accident of that kind occurred there would be no ship in readiness to render assistance? Although this vessel is costing money, and possibly too much money, the fact remains that the matter is too important for us to take any chances; we cannot allow the ship to be put out of commission for the sake of saving a few dollars in wages of the crew. I say most certainly that she should be kept in
10 p.m. commission all the year round. Indeed, I think it is a mistake that she should have a crew of only twenty. If any accident occurred it would take some time to muster a sufficient force for her to proceed to the rescue. The minister is making a great

mistake in my opinion in keeping only twenty men on the ship.

Mr. HOCKEN: How long would it take her to get ready?

Mr. DUFF: If it took her as long as it took in the case of the Niobe it would be six weeks. My hon. friend's government did exactly what he proposed a moment ago.

Mr. HOCKEN: But they did not buy the Niobe.

Mr. DUFF: I know they did not buy the Niobe, but after they got her Mr. Hazen, allowed her to fall into a state of disrepair, just as my hon. friend would have the department do in this instance. The result in the case of the Niobe was that when war broke out it took six weeks to get her ready and she was obliged to return in a few weeks, her boilers having got into an unsafe condition. If that is what my hon. friend wants to happen to this ship—I do not think he does—then I am glad to make this explanation for his benefit.

Mr. HANSON: Now, Mr. Chairman, we all see the great error made by the Prime Minister when he selected his Minister of Marine and Fisheries. The lecture we have just listened to by the hon. member for Lunenburg (Mr. Duff) demonstrates that he should be occupying the position of the hon. member for Richelieu (Mr. Cardin). But I should like to get down to business. Is the minister serious in saying that this ship is intended as a salvage ship during the season when she is not in commission as an ice-breaker, although while so maintained at Sorel less than 24 of the ordinary complement of 84 officers and men are retained? As the hon. member for Lunenburg has rightly pointed out, the only chance of the ship doing salvage work is away down the gulf or near the Newfoundland coast. In a little town like Sorel the ship could not be fully manned inside a week, and it would take her forty-eight hours to get down into the gulf. It would seem that this salvage business on its face is only a camouflage for keeping twenty men on the pay-roll—either they are too many or they are too few. I think the view advanced by the hon. member for Lunenburg is correct, that is, if the ship is intended for salvage work she should be kept in commission at a point where she can do the work without delay instead of being laid up on the mud banks of Sorel.

Mr. CARDIN: Mr. Chairman, this boat is provided with the finest salvage apparatus obtainable. Not only in the gulf may salvage work be necessary, but in the St. Lawrence channel from Montreal to Quebec, and even below Quebec. But it is absolutely necessary that we keep this vessel at a point where we can use her with the least possible delay when the occasion demands, and I think Sorel is the best place at the present time. If the boat were laid up at Quebec my hon. friends would have reason to complain of the extra cost because of the larger number of men necessary to handle the vessel on account of the tides.

Mr. GARLAND (Bow River): Is there any difference between the rate of wages paid the officers in the province of Quebec, for example and in the province of British Columbia?

Mr. CARDIN: The rates are a little lower in the province of Quebec. The rates in British Columbia are governed to a certain extent by the rates paid on United States vessels.

Mr. GARLAND (Bow River): I have no doubt that the hon. gentleman's remarks about the tremendous cost of salaries were relevant with respect to an idle salvage ship, but they might create a misapprehension. The salaries paid to these men are not high. For example, in the province of Quebec we have chief engineers pulling down $150 a month. Now, what is the average length of term of a chief engineer's job in Quebec?

Mr. CARDIN: The salary of the captain of the Mikula is $160 a month.

Mr. DUFF: That is a disgrace.

Mr. CARDIN: And the chief engineer gets $150 a month.

Mr. GARLAND (Bow River): Mr. Chairman, I think, as the hon. member for Lunenburg says, such salaries are a disgrace: they are not even a living wage. If we work out the chief engineer's salary on the basis of nine months, which is the general average for the province of Quebec, his annual income is only $1,350. No man can keep a family of five on such an income.

Mr. HANSON: Are they not all found?

Mr. GARLAND (Bow River): Then we have the second engineer receiving, on the same basis, $1,125 a year. I protest against the department paying their officers in Quebec these wages, and then pleading as an excuse that private individuals are paying the same rate. As the minister has said, on the Pacific coast the men have a very effective union, and it is a tribute to the union that

they have been able to secure salaries for chief engineers at the rate of $185 per month, or $2,220 for the twelve months, which is the average term in British Columbia. I would urgently ask the Minister of Marine and Fisheries and also the Minister of Public Works (Mr. King), who, too, has a little to do with this aspect of the case, to increase the wages of their chief engineers and other technical men in their employment until they are being paid at least a living wage. The present wages in Quebec are below those necessary to maintain the recognized standard of living and are a disgrace to the government.

Mr. HOCKEN: Are these men employed all the year round or only nine months?

Mr. CARDIN: Chief officers are employed all the year round.

Mr. HOCKEN: Then the argument of the hon. member for Bow River goes by the board.

Mr. GARLAND (Bow River): Not in the least. The average time for marine engineers in the province of Quebec is nine months.

Mr. HOCKEN: But these men are on the year round.

Mr. GARLAND (Bow River): The men on this particular ship are. But we can clear this up in a moment. How many chief engineers are employed the year around and how many on part time?

Mr. CARDIN: Out of twenty-eight, eleven are in commission the year round.

Mr. HANSON: Are the chief engineers paid the year round? I think that is the point.

Mr. CARDIN: No.

Mr. HANSON: What is the average of those who are not in commission the year round?

Mr. CARDIN: Eight months.

Mr. HANSON: Is it not true that these gentlemen, in addition to their salaries, receive a very substantial allowance? For instance, their uniforms are provided for them.

Mr. GARLAND (Bow River): Oh, oh.

Mr. HANSON: That is an important item; the hon. member need not sneer at it. The men are found in everything, as a matter of fact.

Mr. BUREAU: This is a free house.

[Mr. E. J. Garland.]

Mr. HANSON: But an hon. member has no right to sneer; it is not polite.

Mr. BUREAU: Put it on the ground of civility, not right.

Mr. GARLAND (Bow River): It is not necessary for me to answer my hon. friend to my right. Will the minister take my suggestion into consideration? These men really deserve more money than they are getting.

Mr. CARDIN: I have already received a petition from members of the Engineers' Association and other employees on these boats, asking that their salaries be fixed at the same rate as in British Columbia. I can assure my hon. friend that I will take the matter into serious consideration.

Mr. HANSON: I notice another item in the estimates, a subsidy for wrecking plant, Quebec and British Columbia. Are there other salvage plants on the St. Lawrence besides the Mikula, and if so, where are they located? Does the government own any of the salvage ships in Quebec or in that vicinity?

Mr. CARDIN: There is a wrecking plant at Quebec.

Mr. HANSON: Subsidized or owned by the government?

Mr. CARDIN: Subsidized.

Mr. HANSON: Is there a salvage ship attached to that plant too?

Mr. CARDIN: Yes.

Mr. HANSON: So the Mikula is not the sole salvage ship on the river? There is a sort of auxiliary?

Mr. CARDIN: Yes.

Mr. HOCKEN: A superfluity.

Sir HENRY DRAYTON: Will the minister give us a few particulars about the Murray Stewart? What information had the department before buying that boat? Did they ascertain how many years she had been tied up at Quebec and St. John? What did they find out?

Mr. CARDIN: This vessel was built at Port Arthur, and she was two or three years old when we bought her.

Sir HENRY DRAYTON: Was this the boat that was down at St. John on the Atlantic coast? I would like a plain yes or no.

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: What had she been doing down there? What work was she in?

Mr. CARDIN: We have no information as to that.

Sir HENRY DRAYTON: Is the department in a position to deny that she was tied up down there, and attempted to be sold in vain for some years?

Mr. CARDIN: Having no information, we cannot say.

Sir HENRY DRAYTON Then apparently the department bought her without knowing anything about her?

Mr. CARDIN: Except that—

Sir HENRY DRAYTON. If the minister knows anything about her I am prepared to get the information.

Mr. CARDIN: An examination was made before we bought her.

Sir HENRY DRAYTON: An examination of what? Here is a boat that our information says was useless, could not be got rid of for $25,000, and a politician gets her and sells her to the government for $81,000. That is our information, and I want to know if it is correct? Did the department ascertain what she had been doing, how long she had been in the market, and how long she had been tied up?

Mr. HANSON: And how long Stewart owned her before he sold her to the government?

Mr. BUREAU: That is a fair question. She might have been towing Noah's Ark.

Sir HENRY DRAYTON: She looked older than that.

Mr. CARDIN: The boat was built in 1918. Mr. Stewart was the proprietor up to the time we bought her.

Sir HENRY DRAYTON: What I am trying to find out is whether the department knew what had happened to that boat from 1918 up until they bought her. Apparently she is the old boat we knew at St. John. That is where she came from. Did the government make any inquiries at all as to what she had been down there for?

Mr. CARDIN: I do not think it was necessary to ascertain that.

Sir HENRY DRAYTON: Did the minister find out when Mr. Stewart bought that boat?

Mr. CARDIN: He built it himself in 1918.

Sir HENRY DRAYTON: Was he still the owner when the government bought her?

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: I want that plain and straight, Mr. Chairman. Was Mr. Stewart the owner from the time the boat was built until she was sold to the government?

Mr. CARDIN: Yes, he was always the registered owner.

Sir HENRY DRAYTON: At any rate, that is all the government knew about it, is it?

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: The boat was not working down at St. John, was she? Is Mr. Stewart not the gentleman of Toronto, of the Home Bank?

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: Well, what did he have that boat for down at St. John?

Mr. CARDIN: We have no information.

Sir HENRY DRAYTON: I see. Who valued that boat before the government paid $81,000 for her?

Mr. CARDIN: The officers of the department.

Sir HENRY DRAYTON: Who were they?

Mr. CARDIN: The Chief Engineer, Mr. Fraser; the Commissioner of Lights and the Steamboat Inspector also made a report upon her.

Sir HENRY DRAYTON: What are Mr Fraser's initials?

Mr. CARDIN: B. H.

Sir HENRY DRAYTON: And who was the other gentleman?

Mr. CARDIN: J. G. Macphail, Commissioner of Lights.

Sir HENRY DRAYTON: What was his duty in connection with it?

Mr. CARDIN: He is the Commissioner of Lights.

Sir HENRY DRAYTON: Now I would like to find out where the government took possession of that boat.

Mr. CARDIN: At St. John.

Sir HENRY DRAYTON: How long dic it take that boat to go from St. John tc Midland.

Mr. CARDIN: It is hard to answer such a question at this late date.

Sir HENRY DRAYTON: I suppose the records will show when she began to do business?

Mr. MARTELL: The minister did not keep the log.

Sir HENRY DRAYTON: But he has a very efficient deputy minister in front of him.

Some hon. MEMBERS: Hear, hear.

Mr. BUREAU: We all agree.

Mr. CARDIN: The deputy minister is not in a position to answer that question.

Sir HENRY DRAYTON: Does the minister know what coal alone was lost in that movement, when there were other boats up there that could have been bought easily enough?

Mr. CARDIN: It is very hard to say at this time, after two years, what it cost to take the boat up there.

Sir HENRY DRAYTON: Can the minister tell us how many days that boat has been in service since she was bought? My instructions are that she was not fit for service at all, and repairs are said to have been made on her in the first instance. What work did she do the whole of the first year?

Mr. CARDIN: The usual work in connection with the lights.

Sir HENRY DRAYTON: What does that consist of?

Mr. CARDIN: Carrying supplies to the lights.

Sir HENRY DRAYTON: Is the deputy in a position to tell his minister how many days that boat was under repair in 1923-1924 at Midland?

Mr. CARDIN: The repairs were made during the winter months.

Sir HENRY DRAYTON: How long a time did they take?

Mr. CARDIN: We are not in a position to state at the present time.

Sir HENRY DRAYTON: To come back to the Mikula again. She was sold to the Russian government at about her cost to the Canadian government. Is that right?

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: That did not seem to be so very badly done after all. Was she in good condition when she came back?

[Sir Henry Drayton.]

Mr. CARDIN: Yes, she was in good condition.

Sir HENRY DRAYTON: What ice-breaking did she do during the season of 1923-24? When was she out? We were told she was not out at all.

Mr. CARDIN: She was in commission all the winter months.

Sir HENRY DRAYTON: Did she do anything though?

Mr. CARDIN: Yes.

Sir HENRY DRAYTON: Is my hon. friend sure about that?

Mr. CARDIN: Yes.

Mr. CALDWELL: Are the salaries and wages of the officers and crews included in this vote?

Mr. CARDIN: Yes.

Mr. CALDWELL: Coaling and all the other items of expense?

Mr. CARDIN: Yes.

Mr. CALDWELL: Where do these boats operate in winter? They operate from January to April, but where do they operate?

Mr. CARDIN: The Montcalm and the Lady Grey operate from Quebec to lake St. Peter on the St. Lawrence.

Mr. CALDWELL: All the winter?

Mr. CARDIN: Yes.

Mr. HANSON: Where are the supplies, say of the Mikula, purchased? How is her coal purchased? Is that bought by tender?

Mr. CARDIN: Yes.

Mr. HANSON: Are the tenders publicly advertised for—

Mr. CARDIN: Yes.

Mr. HANSON:—or is there a patronage list in the department?

Mr. CARDIN: We ask for tenders from the different coal dealers.

Mr. HANSON: Locally, that is in Sorel?

Mr. CARDIN: Not in Sorel. There is none in Sorel, do not be afraid.

Sir HENRY DRAYTON: I wonder if we have got the whole distinction now between maintenance and repairs. How much is for maintenance and how much for repairs?

Mr. CARDIN: Here are the different items: Total salaries, $446,300. That is for all the twenty-eight boats.

Sir HENRY DRAYTON: Supplies?

Mr. CARDIN: Board, $147,800; fuel, $351,800; steward's supplies, $126,600; hull and engine repairs, $307,800; uniforms, $29,700; making a total of $1,500,000 for the twenty-eight boats.

Sir HENRY DRAYTON: There is nothing at all in that for repairs?

Mr. CARDIN: Yes, the total for hull and engine repairs is $307,800.

Sir HENRY DRAYTON: Then, I think, the minister said the boat was in commission from January to April. At what point was she working?

Mr. CARDIN: Principally at Cap Rouge, between Quebec and lake St. Peter, on the St. Lawrence.

Sir HENRY DRAYTON: Was that for the purpose of keeping a ferry running at Quebec, or what was the object?

Mr. CARDIN: No, she was employed to keep the ice from forming in the channel of the St. Lawrence between Quebec and lake St. Peter.

Sir HENRY DRAYTON: Just how far inland do we keep navigation going all the year? The general season of navigation ceases some time in December if I remember We have no sailings from Montreal or Quebec in winter. That being the case why do we do all this amount of work at that time?

Mr. BUREAU: I can answer the question if I may be allowed. The answer is, that it is to protect properties that are above St. Jean des Chaillons, what they call the Richelieu river. The frazil ice forms there, and creates a dam, and if that is allowed to continue all the property between that place and the shore of lake St. Peter is destroyed. Some years before the icebreaker was put on even the main highway was carried away, to say nothing of houses and other property. When the frazil ice forms the water rises, and when the wind is from the north or the south, the bank, and the property on it, is washed away. The icebreaking is done so as not to permit the frazil ice to form.

Item agreed to.

Examination of masters and mates, $20,000.

Mr. CHURCH: It is a very important matter to have competent officers on the ships that are operating on the Great Lakes and on the St. Lawrence. I should like to find out from the minister whether examinations are still being held as they have been in the past. I also should like to know to what class of ships the examinations apply. Are examinations held whenever candidates present themselves, or do they take place every year, and if so, at what particular time?

Mr. CARDIN: The examinations are held at Halifax, Quebec, Yarmouth, North Sydney, St. John, N.B., Montreal and Prince Edward Island. For the Great Lakes division they are held at Toronto, Collingwood, Port Arthur, and Selkirk in Manitoba; and for the western division at Victoria and Nelson.

Mr. CHURCH: Who is the present admiral of the fleet. Is it the hon. member for Lunenburg (Mr. Duff) or is it the hon. member for Three Rivers and St. Maurice (Mr. Bureau)?

Item agreed to.

Navigation schools, $7,000.

Mr. CALDWELL: Where are these schools located?

Mr. CARDIN: At Halifax, Yarmouth, North Sydney, St. John, Quebec, Kingston, Collingwood and Vancouver.

Sir HENRY DRAYTON: That seems a very small amount of money to carry on the schools efficiently. What is the idea? What is done?

Mr. CARDIN: This appropriation is to provide for the instruction of seafaring men. and those desiring to qualify as masters and mates, under section 84 of the Canada Shipping Act. The schools at Halifax,Yarmouth and St. John are operated the whole year round. At North Sydney the school is operated for three months in the year, Quebec four months, Kingston three months. Twenty-four lectures are delivered during the winter at Collingwood by the examiner of masters and mates, and twenty-six lectures are delivered during the winter at Vancouver by the examiner of masters and mates.

Mr. CALDWELL: What are the sources of revenue of these schools? Are these schools maintained out of this appropriation of $7,000 a year? It has been suggested that the lecturers give their services free. Is that a fact?

Mr. CARDIN: The examiner at Halifax receives a salary of $1,860, the examiner at Yarmouth receives $800 and the examiner at North Sydney receives $360 for four months' work. At St. John a salary of $1,500 is paid for the whole year.

Mr. BAXTER: Who conducts the school there?

Mr. CARDIN: R. J. Pollock at St. John. The salary at Quebec is $360, and at Kingston there is a grant to a navigation school conducted by Queen's University of $500. At Collingwood Captain Cole, who gives lectures, is paid as an examiner, and the same at Vancouver.

Mr. CALDWELL: I am sure the ex-Minister of Finance (Sir Henry Drayton) will join with me in congratulating the minister on the good work he is carrying on with such a small amount of money. I am surprised he is able to give instruction at so many points for $7,000.

Mr. HANSON: How many weeks in the year are these schools carried on? I would not like to have the member for Victoria and Carleton (Mr. Caldwell) think that these schools are conducted all the year round.

Mr. CARDIN: I have just stated that at Halifax and Yarmouth the schools are conducted all the year round. At North Sydney the school is conducted for four months in the year. At St. John the school is conducted the year round, and at Quebec for four months of the year.

Sir HENRY DRAYTON: Many pupils?

Mr. CARDIN: At Halifax there are seventy-seven pupils, at Yarmouth thirty-seven, at St. John fifty-one, North Sydney six, Quebec forty and Kingston thirty.

Mr. CALDWELL: How long is the course of instruction? How long does it take a man to qualify?

Mr. CARDIN: It depends on the pupil.

Mr. CALDWELL: The minister has some idea of the average, I presume.

Mr. CARDIN: A good number of these pupils are in a position to pass the examination after one year.

Mr. BAXTER: I think the idea is that the men have to take voyages and spend a certain length of time at sea. They also get instruction. In the last ten years has there been any substantial alteration in the number of schools, or in the cost of them, or in the method of their provision?

Mr. CARDIN: We are spending a larger amount now than we have spent in the past. A few years ago the Halifax school was only conducted for a certain number of months, and the same at Yarmouth and St. John, but for a few years these schools have been conducted the whole year.

Item agreed to.

To provide for the temporary relief of distressed seamen, $5,000.

Sir HENRY DRAYTON: How is this work standing now? There were some difficulties from time to time in connection with it, particularly during the war period. Sailors were stranded. I take it, that this is an international service which we perform in connection with other countries, looking after the sailors of other nationalities. The money is advanced and we are supposed to get the money back. Is this a vote for that purpose?

Mr. CARDIN: This is to provide only for our own people.

Sir HENRY DRAYTON: Why is it marked "temporary"?

Mr. CARDIN: We make a collection from the owner of the vessel when we can do so.

Sir HENRY DRAYTON: The money is advanced and you hold the owner of the vessel for it. It is very much the same thing. How did it work out last year? Were we able to make our collections? How much money was advanced, and how much did the vessel owners pay back to us? What vessels are in arrears?

Mr. CARDIN: We have spent $4,666.73 for the season of 1923-24. I have all the names here. The list is very long; but unfortunately I have not the amounts.

Sir HENRY DRAYTON: I never asked for the names of the sailors. Under this vote the money is supposed to be paid back to the Crown by the owners of the vessels, and we spent under it last year $4,600. I was just wondering what diligence there was in collecting it. How much have we collected from the owners of the vessels out of that $4,600 odd. That is the practical thing.

Mr. CALDWELL: Is this relief only for sailors who are articled to some ship owner? Does this apply to distressed seamen who are not under contract with any ship owners, who are temporarily out of work or in ill health?

Mr. CARDIN: No; this applies to shipwrecked seamen only.

Mr. MARTELL: Is it not a fact that if a crew is taken off a vessel at sea and taken to a foreign port, money is provided for bringing them back to Canada and the department usually endeavours to collect that from the owners of the vessel if they are

worth it? The master of the vessel is called upon to pay his own way back. I cannot understand why that should be so, but that is the old rule.

Mr. BUREAU: Let the minister bring down the information in regard to the collections later.

Mr. CARDIN: We have made no collections. It should be remembered that in a good number of cases, when a vessel is wrecked, it is very hard to run after the proprietor of the vessel and make any collection.

Sir HENRY DRAYTON: Does this information go far enough to show how many ship owners are in the happy position of not getting their bills, how many wrecks there were or whether there was a great number? The Minister of Customs and Excise suggests that the information might be brought down later. If the minister is not ready, he could give us the list a little later on. Perhaps he will tell us at the same time if any attempt was made to collect the amount of $4,600.

Mr. CALDWELL: Possibly the minister could at the same time bring down a statement of what has been collected each year for the last ten years.

Item agreed to.

Registration of shipping, $3,000.

Mr. MEIGHEN: What is this for?

Mr. CARDIN: This is to defray such costs as may be involved in the registration of Canadian shipping. Part one of the Canada Shipping Act provides that Canadian ships must be registered before engaging in trade and all the necessary facilities are provided by the Department of Marine. The expenditure is principally for printed forms and measuring appliances. As the customs officers at the ports act as registrars of shipping, no salary expenditures are involved. No change is made in the service.

Mr. CALDWELL: Does this apply to shipping on the Great Lakes as well as ocean shipping?

Mr. CARDIN: Yes.

Mr. CALDWELL: Do American boats which ply to Canadian ports have to be registered under Canadian registry?

Mr. CARDIN: No.

Mr. CALDWELL: Was there not some regulation last year that they had to register and file a tariff of rates with the Great Lakes' Commission?

Mr. CARDIN: These vessels have not been transferred to Canadian registry.

Mr. CALDWELL: They simply had to file their tariff of rates last year for the first time?

Mr. CARDIN: Yes.

Mr. CALDWELL: Was that carried out the whole season?

Mr. CARDIN: That is not under the Department of Marine and Fisheries, but under the Department of Trade and Commerce.

Mr. SPEAKMAN: Is a registration fee charged in those cases?

Mr. CARDIN: No.

Mr. MEIGHEN: How much was spent last year?

Mr. CARDIN: $2,042.54.

Item agreed to.

Removal of obstructions in navigable waters, $5,000.

Mr. HANSON: How much was spent on this service last year, and how much was spent in the river St. John?

Mr. CARDIN: The total amount spent was $4,972. This vote is for the removal of wrecks, not of natural obstacles.

Mr. HANSON: Under what vote is paid the cost of removing snags in navigable rivers?

Mr. CARDIN: That is under the Public Works department.

Mr. MARTELL: Is this not for the purposes of carrying out what is known as the Navigable Waters Protection Act? When a vessel is wrecked and she becomes an obstacle to navigation, the department notifies the owner to remove the obstacle, and if he does not do so, the department removes it and, if necessary, brings action against the owner to collect the costs.

Mr. CALDWELL: Was anything collected from the owners?

Mr. CARDIN: We have made no collections.

Mr. CALDWELL: Has the department got anything back for this work say in the last ten years?

Mr. CARDIN: Yes.

Mr. MEIGHEN: But nothing last year?

Mr. CARDIN: Nothing last year.

Mr. MEIGHEN: How is it that the snags are in one department and the wrecks in another?

Mr. GRAHAM: They are not in the departments; they are in the streams.

Mr. CARDIN: I cannot offer at present any explanation. I found this situation when I took office.

Mr. CALDWELL: Are icebreakers used for this work?

Mr. CARDIN: No, government dredges.

Mr. CALDWELL: Are the icebreakers not better equipped for this work than the dredges?

Mr. CARDIN: We cannot do this work with the icebreakers. To remove obstacles from the bed of the river we must use dredges and apparatus of that kind.

Mr. CALDWELL: When the minister said that he had excellent equipment I thought that possibly he meant that the department also had the necessary apparatus for removing wrecks. A question has come up regarding salaries. Is it not a fact that the officers and the crews of the vessels are given board and maintenance in addition to their wages?

Mr. CARDIN: Yes.

Mr. CALDWELL: That is to say they have their board and their clothing and lodging?

Mr. CARDIN: Yes.

Mr. MEIGHEN: The minister might profitably consider the wisdom of trying to get rid of duplication in these services. Something was done some time ago, but surely it would be wise to place in the hands of one department the whole work of taking care of navigation. Just imagine a dredge of the Marine department cleaning up the bed of the river after a wreck, and if there is a snag a hundred yards or so away it can do nothing but another dredge must be sent from the Public Works department to attend to that job. How absurd it really is. There would seem to be no reason why either the Marine department or the other—I do not care very much which, although I fancy the Marine department would more properly take care of this work—should not have all to do with making the river fit for navigation, no matter what the cause for the particular service may be. Dredging of every description should be done under one department, whether it be dredging in rivers or in lakes. Save for construction work, such for example as the building of a dock, which might fairly come within "public works," everything connected with navigation should come under one department. What utter waste it is to have two departments operating two organizations in the same river, the one aiming at the snags and the other at wrecks.

Mr. CARDIN: I do not hesitate to say that the hon. gentleman's suggestion interests me. Undoubtedly it calls for consideration and I may say that the matter is now being studied. We hope to be able to reach a solution of it some day.

Mr. HANSON: Does the work of keeping open the ship channel in the St. Lawrence come under the Marine department or under the Department of Public Works?

Mr. CARDIN: Under the Marine department?

Mr. HANSON: I am referring to the dredges in the St. Lawrence below Montreal. Are those the dredges of the Marine department?

Mr. CARDIN: Yes.

Mr. HANSON: Is it a fact that dredging is also done in the St. Lawrence, below Montreal, by the Public Works department?

Mr. CARDIN: Yes, but not in the channel.

Mr. HANSON: No, not in the channel. But it is true that there are duplicate plants operating in the same sphere at the same time, under a double overhead and practically at double expense to the country, for capital cost and also for maintenance and operation. Is not that a fact?

Mr. CARDIN: Yes; there is no doubt that this is largely the case. But the work performed by the Marine department has to do only with the navigation channel; the work of the Department of Public Works has nothing to do with that.

Mr. HANSON: Take dredging; would not that be within the province of the Department of Marine? You might dredge around a pier or a dock, but it is for the purposes of navigation. Under which department does that work come? In the city of St. John they dredge every few years the berths which fil up with silt as a result of the action of the tides. I am informed that they are dredged every year, a depth, say, of some thirty-five feet being required. Is that done by the Marine department?

Mr. CARDIN: No, by the Public Works department.

Mr. HANSON: Is not that a matter of navigation?

Mr. CARDIN: Yes, but it is local.

Mr. HANSON: I do not understand the principle on which this work should be done by the Public Works department while similar work is done by the Marine department in the St. Lawrence.

Mr. CARDIN: The separation of these various services as between the two departments was made several years ago.

Mr. MEIGHEN: I suppose if the dredging were needed in a canal it would have to be done by the Railway department?

Mr. CARDIN: Yes.

Mr. MEIGHEN: Here is a great opportunity for reform on the part of the government which is hungering for exercise.

Mr. CALDWELL: I see good reason for the government taking this matter into serious consideration; these services should be consolidated. There is something besides the actual dredging involved; the engineers must go to the point and inspect the works and report to the department. If there is a ship berth to be dredged at Quebec, at Montreal or at St. John the engineers of the Public Works department must first pass upon the matter; so that not only the actual dredging, but the plants which the department must maintain, and the elaborate staff of engineers to lay out the work, have all to be taken into consideration. There is therefore excellent reason why the government should seriously consider this proposal. And not only should they keep it under consideration; the amalgamation should actually be made.

Mr. CHURCH: The minister might explain somewhat more fully this division of work as between the Marine department and the Public Works department. Some places have to shoulder the cost of this work themselves while other places have the government to fall back upon. This vote seems to apply to the ocean and river service. My hon. friend (Mr. Hanson) referred to the dredging of the St. John river; but the Great Lakes also need periodical dredging and the municipalities have to bear the cost of this work. In the Niagara there is a very serious obstruction to navigation, and as some 2,000,000 passengers are going in and out at this point every year it is most important that the place should be dredged. Why should not the vote apply to the Great Lakes as well as to the rivers and ocean navigation? Is the Public Works department responsible for the dredging there, or is the
11 p.m. Department of Marine? I do not understand why there should be this distinction between the two departments in this respect. Some of these votes apply only to the seaboard although the whole country has to contribute to the expenditure. Owing to the obstruction in the Niagara which I have just mentioned the steamers are obliged to make a detour, and although this obstruction has been standing for years the Public Works department will do nothing to remove it.

Item agreed to.

Inspection of live stock shipments, $4,000.

Mr. CALDWELL: How much was spent last year?

Mr. CARDIN: There was spent $3,416.

Mr. CALDWELL: At what points is the inspection carried on?

Mr. CARDIN: At Montreal, St. John and Quebec.

Mr. MEIGHEN: Why is the vote getting larger?

Mr. CARDIN: More cattle are being shipped and we have had to provide $500 for inspection at the port of Quebec.

Mr. STEWART (Leeds): In view of the fact that the Department of Agriculture has to undertake the inspection of cattle in order to comply with the British regulations, how does inspection come under this department?

Mr. CARDIN: We inspect only the fittings on the ship and make sure that it is in proper condition to carry cattle.

Mr. HANSON: Is that done to comply with the British Board of Trade regulations?

Mr. CARDIN: Yes.

Mr. HANSON: There seems to me to be a certain amount of duplication. Could not all this work be done by the same set of inspectors, as suggested by the member for Leeds (Mr. Stewart)?

Mr. CARDIN: This work can be more properly done by the inspectors of the Department of Marine and Fisheries who are in a better position to understand the condition of the ship.

Mr. CALDWELL: Is it not a fact that the cattle inspection is conducted by a qualified veterinary surgeon, while the inspection of the ship must be by a man qualified along different lines altogether?

Mr. CARDIN: That is quite true.

Mr. STEWART (Leeds): Is the inspection once a year or on the occasion of every shipment?

Mr. CARDIN: The boat is inspected for every shipment.

Mr. GRAHAM: The inspection is required by the regulations of the British Board of Trade.

Mr. BAXTER: Is it not a fact that the Minister of Agriculture has cut off all inspection in his department except that of churches!

Mr. GOULD: What work is actually performed by the inspector; is it merely the signing of clearance papers?

Mr. CARDIN: The fittings of the vessel are also inspected.

Mr. GOULD: I have seen ships in Montreal that were not built for cattle traffic fitted up with temporary accommodation on the upper deck, and I have known of cases where cattle have been lost as a result of these flimsy structures being washed overboard. Did our inspectors pass those ships?

Mr. CARDIN: Yes.

Mr. GOULD: They have to pass upon the soundness of the upper deck work?

Mr. CARDIN: Oh yes.

Mr. GOULD: They are not held responsible if they pass any flimsy structure?

Mr. CARDIN: The case to which my hon. friend apparently refers was an accident due to a bad storm, and the inspector was not held responsible.

Item agreed to.

To continue subsidies for wrecking plants—Quebec and British Columbia, $35,000.

Mr. HANSON: Are these private wrecking plants?

Mr. CARDIN: Yes.

Mr. HANSON: Where are they located; to whom do they belong; and how many wrecks have they looked after in the last fiscal year?

Mr. CARDIN: One of these plants is at Quebec and is owned by the Quebec Salvage and Wrecking Company Limited; the other is at Esquimalt and is owned by the Pacific Salvage Company Limited of Victoria.

Mr. HANSON: What is the basis, a flat vote each year, or so much for the actual work done?

[Mr. Cardin.]

Mr. CARDIN: The subsidy payable by the government to the Quebec Salvage and Wrecking Company Limited is $25,000 per annum. The contract is for five years from May, 1922.

Mr. CALDWELL: Under that contract are the company compelled to do any work that the department orders them to do?

Mr. CARDIN: Yes.

Mr. CALDWELL: Is there any limit to the amount of work they can be called up to do? And is there any rebate if they do not do any work at all?

Mr. McBRIDE: I know something about the wrecking plant at Victoria. The company have to keep that plant ready for work at any time, with steam up, so that no time will be wasted in reaching a wreck if called on. I know it is a very important work. I have had to call upon the company myself for salvage services.

Mr. HANSON: What are the terms of the contract with the Quebec company?

Mr. CARDIN: Under the contract the Quebec Salvage & Wrecking Company have to maintain at Quebec the steamer Lord Strathcona and such other plant as may be required to the satisfaction of the department from May 1 to December 1 each year. The payment of the subsidy is subject to the condition that if in any year during the continuance of the contract the total amount received by the contractors from their salvage and wrecking operations, including the subsidy paid, is in excess of the cost of maintaining the plant, including interest and insurance, the contractor shall pay to the government 50 per cent of such excess, it being understood that interest at the rate of 5 per cent per annum is to be allowed on a capital amount of $150,000, and an insurance policy not exceeding $200,000. The British Columbia contract is held by the Pacific Salvage Company Limited of Victoria. The subsidy is $10,000 a year payable quarterly in October, January, April and July of each year. The contract is for ten years from July 1, 1915. The company are obliged to maintain the steamer Algerine, or other suitable vessel, together with a steam tender and one or more scows, all in a thorough state of repair and seaworthiness, supplied with suitable and modern equipment and all up-to-date improvements, with a skilled personnel in constant commission at Esquimalt, to be prepared at all times for salvage of wrecks and to render all necessary service in case of maritime casualties when called upon.

Mr. HANSON: How are the subsidies arrived at, on an arbitrary basis, or from past experience, or is it the total amount the companies can squeeze out of the government under given circumstances?

Mr. CARDIN: They are arbitrary amounts.

Mr. HANSON: What is the value of the plant the company has to keep up? We ought to know whether there is any principle involved or not in the size of the boats? Did I understand the minister to say that the contract with the Quebec company had been recently entered into?

Mr. CARDIN: May 1, 1922.

Mr. HANSON: Did this government have a contract with the same company previous to that, and if so, how much was paid?

Mr. CARDIN: Yes; the same amount.

Mr. CALDWELL: For how many years?

Mr. CARDIN: Five years.

Mr. HANSON: In each case?

Mr. CARDIN: Ten years in regard to British Columbia.

Mr. HANSON: About what is the value of the plant at Quebec? Are they making any money out of this? Further, what actual service have they rendered in the past twelve months?

Mr. CARDIN: The plant at Quebec is insured for $200,000.

Mr. CALDWELL: What is the premium on that amount of insurance?

Mr. CARDIN: They carry the insurance themselves. The amount paid for this insurance is $5,569.49.

Mr. CALDWELL: The premium is allowed in the cost of operation, is it not?

Mr. CARDIN: Yes.

Mr. CALDWELL: And five per cent on the cost of the plant?

Mr. CARDIN: Yes.

Mr. HANSON: Does the government pay that premium out of this vote, or does the company pay it?

Mr. CARDIN: The company.

Mr. CALDWELL: Under the contract the minister read, I understand that any profits in excess of cost of operation have to be divided fifty-fifty with the government, and in the cost of operation is included the insurance premium and five per cent on the cost of the plant, which is perfectly fair. Has the government ever received any profit over and above the cost of operation, and if so what amount?

Mr. CARDIN: Not last year, but in two years we received a certain amount.

Mr. CALDWELL: What amount?

Mr. HANSON: That is only twice in the history of the subsidy. It is not a very valuable source of income.

Mr. CARDIN: But the service that is given by this wrecking plant is very important.

Mr. HANSON: My information is that this Quebec plant is a good and complete plant, of great value. It is a salvage plant as well. Now is the minister serious in the statement he made to me earlier in the evening that he keeps steam up in the Mikula because she is a salvage ship, when he has this plant to depend on? I do not think he is serious, but I would like a frank statement from him.

Mr. CARDIN: It is true that we have the service of the Quebec salvage plant, but I think it is important that we should also have this vessel ready to help.

Mr. HANSON: But she never does.

Mr. CALDWELL: Is the Quebec salvage plant kept fairly busy?

Mr. CARDIN: They had very little to do last year, but some years they have quite a lot of work.

Item agreed to.

Unforeseen expenses, $5,000.

Mr. CARDIN: This is to provide for miscellaneous items of expenditure that cannot be anticipated and provided for, such items, last year, for instance, as criminal investigations, legal expenses, arbitration proceedings, advice and assistance of experts, damages. The appropriation is the same as last year.

Mr. STEWART (Leeds): How much was spent last year?

Mr. CARDIN: $4,949.

Mr. MEIGHEN: It would look as if the object of the department was to find as many unforeseen things as would reach up to the vote. How did they happen to run up to within a few dollars of the vote last year? What is the character of these things that are attended to?

Mr. CARDIN: On May 4th, J. S. Rogers received salary for one month's services in connection with installation of refrigerator on the Steamer Canadian Highlander, $85.

Mr. MEIGHEN: Why is not that paid by the mercantile marine? They are making lots of money.

Mr. CARDIN: Then to the Receiver General for Canada for printing forms for harbour commissioners there was paid $24.

Mr. MEIGHEN: Why is not that paid by the harbour commissioners?

Mr. CARDIN: This is for our own stationery.

Mr. MEIGHEN; In the department?

Mr. CARDIN: Yes. We have to carry the same forms as the harbour commissioners for purposes of record.

Mr. CALDWELL: This would not be unforeseen expenditure, would it?

Mr. MEIGHEN: I think not.

Mr. CARDIN: We do not know how long the stationery we have will last; it depends upon how much work we have to do. Another item is Canadian National Railways, expenses of a judge of the Exchequer Court to visit Dominion Iron and Steel Company plant in connection with sitting in regard to cancellation of contract for steel plates, $198.10.

Mr. MEIGHEN: Expenses of the judge of the Exchequer Court? These expenses are paid under the Judges' Act.

Mr. CARDIN: The Department of Justice called upon us to pay that.

Mr. BOYS: Would the minister tell us on what ground?

Mr. CARDIN: Upon the request of the Department of Justice.

Mr. BOYS: I do not suppose the minister pays every bill that is sent to him, without good reason. Will the minister explain to the committee why the usual method of disbursing items of this kind was not adopted, and why this special method was resorted to?

Mr. CARDIN: It was a suit in which the Department of Marine and Fisheries was involved.

Mr. MEIGHEN: The hon. member for Lunenburg will have a very vivid recollection of this. This is the case about which he raised quite a storm two years ago because the initiation of a settlement with the Dominion Iron and Steel Company, and where he secured the promise of the Minister of Finance in very emphatic terms that a final settlement would never be made, but that the courts would effect a final settlement, and where within one week after he got that assurance the government made a final settlement, and the courts did not make it at all.

Mr. DUFF: This is the sequel. Sir Henry Thornton should have paid this, not the Marine and Fisheries department. It should be charged to the merchant marine.

Mr. MEIGHEN: I do not know who should pay it, but I imagine Sir Henry Thornton would be the last.

Mr. CALDWELL: He has no money left after buying the Hotel Scribe.

Mr. MEIGHEN: This is the sequel all right. I have often thought that the hon. member for Lunenburg would laugh in even his most sombre hours when he thinks of what occurred that afternoon.

Mr. DUFF: My remarks may have hastened the settlement.

Mr. MEIGHEN: Yes. Very often the assurance of the government that there will be no settlement is the best sign there will be one.

Item agreed to.

Life saving service, including rewards for saving life, $100,000.

Mr. CALDWELL: What equipment does the department maintain for life saving?

Mr. CHURCH: This is a very important vote for life saving service on both coasts and on the Great Lakes, but the provision is inadequate. I should like to find out on what principle the money is expended. Part of the vote relates to the maintenance of certain stations on the Atlantic and Pacific coasts, and on the Great Lakes, but the expenditure in the last case seems to be very small. I may say that formerly a life saving station was maintained in the port of Toronto, but four years ago the municipality was notified, through the Harbour Board, that it would have to establish and maintain its own station. Consequently the Harbour Commissioners had to spend $60,000 to take care of the three million odd people that go in and out of the harbour of Toronto. And yet for the whole of the service comprised in this vote only $100,000 is asked. Part of this vote is to provide rewards for life saving at sea. That is all very well, but why not try and provide

also to a greater degree for the services which are rendered by the Harbour Commissioners of Toronto? Not only do they look after their own port but last summer they had to undertake work all over the Georgian bay and the Muskoka lakes; also at Hamilton, Oakville, Port Dalhousie, and points along the north shore of lake Ontario. Virtually they are maintaining a life saving station for lake Ontario, a thing which they have no power to do under their charter. Actually their work should be confined to looking after the millions of passengers who go from Toronto to Niagara, Hamilton, and other points. Take the north shore of lake Ontario and you will not find a single life saving station with the exception of the one at Toronto.

It is true the government gives a few hundred dollars to maintain a life boat at two or three small places, but what would happen in the case of an accident if the life boat was not up-to-date especially when it is remembered that it might take several hours to reach the scene. I call the minister's attention to the need of proper facilities in the Muskoka and Georgian bay districts which are visited annually by thousands of tourists. Last summer a serious accident occurred in the Georgian bay district. Three young men from my constituency were on their way up the Moon river when they unfortunately lost their lives. No life saving station nearer than Toronto was available for rendering assistance. Two or three life guards and some other help were sent up from Toronto, and the waters in the district were dragged for over a month without finding the bodies. I claim that the first duty of the department is to try and save the lives of the citizens of this country.

Complaints on this score are not confined to Toronto; they come from other places. The year before last there was an accident at Port Dalhousie. A poor girl was out on a raft, or some other contrivance, but there was no life saving station there to render her help, the nearest being at Toronto. The same situation exists at Grimsby beach and Burlington beach. I am sorry the member for West Hamilton (Mr. Stewart) is not here to-night. I am sure that if he were he would support the plea I am making. There has been an insistent demand from the people of that city for a life saving station, also from the people of Oakville, and many places on the north shore of lake Ontario, east of Toronto. I suppose there are altogether two or three million people that go out from Toronto to Niagara, and other places, during the summer months. What would happen to a boat like the Cayuga, that carries several hundred people, if she met with a mishap? And she did run on a sand shoal last summer. What would happen to the passengers of other boats running to Port Dalhousie, and other places, in the event of a mishap? Last summer a deck hand fell off a steamer running between Toronto and Rochester, and the body was not recovered for several months. The life saving appliance on the ship could not be lowered, and they did not even throw the poor deck hand a life belt. It is a very serious situation and I contend something ought to be done to provide an adequate remedy. The department abandoned the former system and told the people of Toronto some four years ago. "We will give you a few hundred dollars yearly but you will have to maintain your own station."

That the station is doing good work is shown by the fact that the last year it saved forty-four people from drowning. Had it not been for the Toronto station that number of people would have lost their lives. I urge the government to grant a larger vote for this purpose. The country is growing and the Canadians are an aquatic race. The possibility of accidents is increasing all the time. The loss of life at the summer resorts of Canada has been very large in comparison with our population. A great many of these deaths could have been prevented if we had had proper life saving stations and appliances in the districts to which I have referred. I would ask the minister now to grant a larger vote for this purpose. I would ask him also to consider the case of the relatives of the three young men who were drowned on the Moon river. The parents of these poor victims had to spend, I think, $2,000 in efforts to try and recover the bodies. Are we going to wait until a catastrophe occurs before voting increased sums for life saving purposes. The city of Toronto—which is overburdened with taxation, which is paying a very large sum annually to the government of Canada—should receive some relief. The life saving work which was formerly carried on by the government there should be again taken over by them and the $60,000 which the city spends on life saving service, or a part of it, should be refunded to Toronto. Because, as I say, the life saving station at Toronto not only renders service on lake Ontario but also on the Muskoka lakes and the Georgian bay. The city of Toronto has been put to great expense in that regard, and has not been reimbursed for the large expenditure which it has incurred.

Mr. HANSON: Where are the principal stations on the Atlantic coast located?

Mr. CARDIN: In New Brunswick there is a station at Escuminac.

Mr. HANSON: That must be a very small station?

Mr. CARDIN: Yes, it is a small one.

Mr. HANSON: Where is the principal station in the Bay of Fundy?

Mr. CARDIN: At Little Wood island.

Mr. HANSON: What is the cost of it?

Mr. CARDIN: The cost is $7,500.

Mr. HANSON: How many men are there?

Mr. CARDIN: Nine men.

Mr. CHURCH: I would like to get an answer to my question. What life saving stations has the department established on lake Ontario, and how much money has been spent on them? How much money has been spent on Toronto? Does the government propose to recoup the Harbour Commissioners of Toronto for doing life saving work in and out the city of Toronto?

Mr. CARDIN: The life saving stations are at Cobourg, Goderich, Long Point, Pelee island, Port Stanley and Southampton.

Mr. CHURCH: How many lives have these stations saved during the last year?

Mr. CARDIN: I have not the figures.

Mr. CHURCH: When danger arises at these different places on lake Ontario, they have had to wire the life saving station at Toronto to come and help to save lives. Lake Ontario is a very large area of water with a great deal of navigation. The number of steamboats on lake Ontario is probably larger than the number of boats on any of the upper lakes. They do more actual passenger business, and the life-saving stations on lake Ontario are very inadequate. Is the department going to wait until they have a disaster in the Niagara district, Port Dalhousie or some other place on the lake before taking action? When will the department establish up-to-date life-saving stations on lake Ontario? At Charlotte and other places on the American side of lake Ontario they have proper life-saving stations. At Buffalo, at Toledo and at Detroit they have large up-to-date life-saving stations, these are under the control of the War department, and they are maintained by companies of men. At Buffalo they have a regular company of naval men who look after that particular port and there is a large volume of steamboat business there. Along the Great Lakes on the American side they have proper life-saving stations. But what have we on the Canadian side of the border? We have one or two rowboats, or what they call lifeboats. We have small stations with very few boats. I maintain that we should have proper stations established on the Canadian side of lake Ontario if we are to make proper provision for the saving of lives. We have a station at Toronto which saved forty-four lives in four years, as a result of having up-to-date equipment.

Mr. BOYS: How does the minister explain the reduction of $40,000? This is an important item. Of course if some part of the service can be done away with, well and good; but I think the service should be maintained in a most efficient manner, and I can hardly see how that can be done with this reduction. I should not think there would be less of that sort of work to perform now. How is the $40,000 saved? Is it by cutting out some of the stations or by reducing the salaries? How is it brought about? A good deal of progress has been made to-night with these estimates, and it is thirty-five minutes after the hour at which we have been usually adjourning.

Mr. MEIGHEN: After the usually promised adjournment hour.

Mr. BOYS: I have missed a week it is true. I was away last week.

Mr. GRAHAM: And we missed you.

Mr. BOYS: I presume the order of affairs which was more or less agreed upon was observed during last week; and that being so, and this being an important item, the minister might let it stand. I do not believe that ultimate progress will be delayed by acceding to the suggestion.

Mr. GOULD: Are life-saving stations maintained during the holiday season in our national parks, where there are several lakes?

Mr. BOYS: If the minister will not adopt my reasonable suggestion, I would ask him to at least answer the questions I put to him, and I think they will be followed by many other questions.

Mr. CARDIN: We think we will be able to cope with the situation next year with this amount, because last year we spent only $80,000. This will mean an economy of $20,000. We expect that we will be in a position to effect some economies.

Mr. HANSON: It would appear that there has been a very drastic cut in the expenditure in relation to this item. I understood

the minister to say a few moments ago that the service in the Bay of Fundy at Wood island was costing $7,000 a year. I would like to point out that that is a most important station, probably the most important on the Atlantic coast, and I would like to know the reason why the service has been reduced. I do not think that is a matter about which we should have a cheese-paring policy.

Mr. CARDIN: We do not propose to reduce it.

Mr. HANSON: It has been reduced within two years—I will tell the minister that for his information, and the number of men has been reduced. It may not have been reduced within twelve months, but it has been reduced within two years.

Mr. CHURCH: It is cut out altogether up west.

Mr. HANSON: The service has been about cut in two at Wood island. If hon. members will turn up the Auditor General's report they will see it cost nearly $14,000. I would like to know what the minister is doing as a matter of policy in connection with this matter; because I am sorry to admit that the Bay of Fundy is a very dangerous piece of water to navigate. In the parish of Grand Manan and on the southern portion of Nova Scotia, there have been a good many wrecks, and it is necessary to maintain at Grand Manan an up-to-date life saving station with all modern appliances. There have been a great many lives lost there in my own memory. Happily we do not have many wrecks, but when we do have a wreck it is a bad one and many lives are lost. As a resident of the country for many years and knowing perfectly the conditions that prevail there, I believe that station should be maintained in a thoroughly efficient manner. I should like to know the view of the department with regard to their policy at that particular station. The minister has made pretty good progress tonight, and if he will take a hint from his friends over here, he will let the committee rise and report progress.

Mr. CARDIN: I will be quite ready to accede to the suggestion of my hon. friend if he will let this item pass.

Mr. MEIGHEN: There seems to be a feeling that an equitable policy is not being pursued with respect to life-saving stations; that certain sections are being allowed to save their own lives and other sections are being helped by the government. I do not think the passing of this act will ever save the government's life. The minister has put through ten items tonight, involving something like two million dollars, and this has been done since half past ten. We cannot be sitting here till midnight continuously.

Mr. CARDIN: I agree.

Item stands.

Progress reported.

UNITED CHURCH OF CANADA

Mr. ROBERT FORKE (Brandon): As Bill No. 47, incorporating the United Church of Canada, stands in my name, and, I hope, will be reached to-morrow evening at eight p.m., I would ask the Prime Minister (Mr. Mackenzie King) if he, with the consent of the House, would agree to set apart Wednesday, June 18, for consideration of this bill, if not disposed of on Tuesday evening. Its importance not only to the millions of people directly interested, but to the country as a whole, I submit, places the bill in the same position as a public bill. With the consent of the Prime Minister, I would move, seconded by Mr. Putnam:

That Bill No. 47, incorporating the United Church of Canada, be the first order for Wednesday, June 18, and given precedence until disposed of unless disposed of on Tuesday evening.

Mr. WILLIAM DUFF (Lunenburg): Before that motion is put, it seems to me that it is rather unusual. Members who are interested in this bill should have been consulted with regard to the matter. I have made an important engagement in Montreal for Wednesday, and I should like to be present when this bill is reached. I, therefore, object to this motion.

Mr. MEIGHEN: It has to be unanimous.

Mr. FORKE: There was no intention of causing any inconvenience to anyone. During the last few days there has been general talk around the House that this bill was coming up on Wednesday, and this was only for the purpose of facilitating business. If any inconvenience is going to be caused to anyone who wishes to take part in the debate, I understand the consent must be unanimous. No discourtesy was meant in making the motion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government rather hoped that it might be possible to dispose of the bill to-morrow evening in the regular order. Certainly, if it is not disposed of then, it would be our wish to expedite the disposition of it. On the other hand, it requires the unanimous consent of the House to change

the order. If it can be arranged to the satisfaction of members of the House to have the bill proceeded with on Wednesday, assuming that it cannot be disposed of to-morrow night, the government will be only too ready to acquiesce in the request of my hon. friend, but he understands, of course, that it is open to any hon. member to object.

Mr. DEPUTY SPEAKER: As this motion requires the unanimous consent of the House, it would require to stand until Wednesday when the order is called, when that consent may be given.

Motion stands.

On motion of Mr. Mackenzie King the House adjourned at 11.45 u.m.

Tuesday, June 17, 1924

The House met at three o'clock.

HON. MR. MURDOCK AND HOME BANK

Mr. JOSEPH ARCHAMBAULT (Chambly and Verchères): Mr. Speaker, I beg leave to present the second report of the select standing committee on Privileges and Elections. I also lay on the Table the evidence taken and the exhibits filed before said committee. The report is as follows:

Your committee, having considered the resolution referred to the select standing committee on Privileges and Elections on May 22, 1924, as follows:—

"Thursday, May, 22, 1924.

Ordered,—That the following:—

Mr. Porter, seconded by Mr. Guthrie, moved, That, E. Guss Porter, member representing the electoral riding of West Hastings, in this House, having declared from his seat in the House that he is credibly informed and that he believes he is able to establish by satisfactory evidence that:—

The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain information he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister in derogation of his office and the honour, dignity and traditions of parliament,

be referred to the select standing committee on Privileges of this House to inquire fully into the said allegations with power to send for persons, papers and records, to examine witnesses under oath or affirmation, and that the said committee do report in full the evidence taken before them and all other procedure on the reference, and the result of their inquiries to this House for such action thereon as this House may determine.

Attest.

W. B. NORTHRUP,
Clerk of the House of Commons."

and having heard the evidence given by all witnesses submitted in support of the charge contained in said resolution and all evidence and statements made in answer thereto, and examined all exhibits filed on such inquiry, beg leave to report as follows:—

The evidence taken by the committee shows that Honourable James Murdock on the 15th of August, 1923, drew out of the Home Bank of Canada, at its Ottawa branch, the sum of $4,050, but there is no evidence to show that before so drawing out said sum he had received information as a cabinet minister, of the probable failure of said bank. The evidence also shows that the only information Mr. Murdock had of the probable failure of said bank was received as a private citizen from Honourable G. N. Gordon, in a friendly interview on the 9th of August, 1923.

The committee finds that Honourable James Murdock did nothing in connection with the withdrawal of such money from the Home Bank contrary to his obligation as a minister of the Crown, or in derogation of his office and the honour, dignity, and traditions of parliament, and that the charge submitted to this committee for investigation, so far as it affects the honour of Mr. Murdock, is not only not proved but entirely disproved.

Your committee submit herewith the minutes of proceedings and exhibits laid before the committee, and evidence taken by them.

All of which is respectfully submitted.

J. ARCHAMBAULT,
Chairman.

TREATY WITH FINLAND

Hon. J. A. ROBB (Acting Minister of Finance): For the information of the House, I lay on the Table copy of treaty of commerce and navigation between the United Kingdom of Great Britain and Ireland, and Finland.

PRIVILEGE—MR. HUDSON

On the Orders of the Day.

Mr. A. B. HUDSON (South Winnipeg): I desire to refer to a matter of personal privilege. Yesterday in the House a question was asked affecting me, which will be found on page 3223 of Hansard as follows:

Mr. Hudson, M.P.

Mr. Harris:

Is Mr. A. B. Hudson, K.C., M.P. member for South Winnipeg, the same A. B. Hudson, K.C., M.P., who is a member of the legal firm of Hudson, Ormond, Spice & Symington, the latter member of said firm being the Mr. Symington who is paid by the government as counsel on the Home Bank Inquiry?

Hon. Mr. Lapointe: Yes.

That question and answer as they appear in Hansard are calculated to create the impression that I am a partner of Mr. Symington in regard to this particular transaction. That is not true. I am not Mr. Symington's partner in this transaction. I have no interest in it, and when Mr. Symington was employed it was expressly stipulated both with him and with the government that the retainer should be a purely personal one on his part. Morever I wish to say that Mr. Symington was not employed at my sug-

gestion or on account of any association with me.

Hon. ERNEST LAPOINTE (Minister of Justice): I desire to confirm in every way what my hon. friend has just stated. When I, acting for the government, asked Mr. Symington to represent the government before that commission, I never had any communication with my hon. friend at all in regard to the matter.

SALARIES OF POSTAL EMPLOYEES

MOTION, MR. CHURCH, TO DISCUSS A MATTER OF URGENT PUBLIC IMPORTANCE

On the Orders of the Day.

Mr. SPEAKER: The hon. member for North Toronto (Mr. Church) has handed me the following:

I ask leave to move an adjournment of the House under Rule 39 for the purpose of discussing a definite matter of urgent public importance, namely:

The application or request of the postal employees received by the government since yesterday for an amendment to the present statute relating to the revised schedule of wages by the Civil Service Commission and the refusal of the employees to accept the said schedule, and their intimation that within forty-eight hours a strike will occur which will, if allowed, cause great damage to trade and commerce and inconvenience to the public and to the business of parliament as well. And for the object of asking this hon. House to consider some form of conciliation, either by granting the employees a board of conciliation or otherwise, or by appointing a Select Committee of the House to consider the case and suggest amending legislation, if any, they deem just and advisable in the matter or for the purpose of taking such other or further action as is deemed advisable, and if leave is granted, I beg leave to move, seconded by Mr. Maclean (South York): "That this House do now adjourn."

Rule 39 reads:

(1) A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance) shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

(2) Leave to make a motion for the adjournment of the House (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (Rule 25) has been concluded and before notices of motions or orders of the day are entered upon.

The rule is that the Speaker must decide if the matter of the motion is of urgent public importance. The hon. member who makes the motion hands the Speaker a written statement of the matter, which the Speaker reads to the House. This I have done. The Speaker then asks whether the member has the leave of the House to make the motion. In my humble opinion this matter, a threatened strike which may paralyze the whole of the postal service in Canada, is a matter of urgent public importance. But there is another obligation which must follow my decision that it is a matter of urgent public importance, it is that if objection is taken more than twenty members must rise to indicate the desire that the member may proceed with his motion. So, if it is the desire of the House that the hon. member shall proceed, more than twenty members must rise.

The Clerk Assistant having stated that more than twenty members had risen.

Mr. T. L. CHURCH (North Toronto): I I have no intention of taking up more than three minutes of the time of the House on this occasion. The matter is a very important one to the entire city I represent. The members of the House have had no opportunity of discussing this question as they have been waiting for the estimates of the Postmaster General before dealing with the matter, and they have not even yet been considered. Neither have the civil service estimates been considered nor have we had an opportunity of discussing this matter and bringing the facts before the House.

The city from which I come contributes six million dollars to the postal revenue, and the business men of that city are becoming alarmed as to what may happen if some action is not taken by the government. This question has been hanging fire for several months past and tossed about to and fro. Some time ago the matter was considered, and the government assigned to the Civil Service Commission and the deputy ministers the duty of making a survey and drawing up a new schedule of salaries. The Prime Minister laid on the table the correspondence between the various boards considering the case and said it was not within the province of the government to take any action.

This matter was referred to the Audit Board and the Civil Service Commission, who have now made their report. It was bandied about from pillar to post, and the employees have become very much annoyed over the delay and the way in which the case has been handled. Notwithstanding the high cost of living to-day, the scale as recommended by the Civil Service Commission, turning the bonus into salary, works out at a reduction of $179,000 a year. I am not going to enter into any discussion of the report of the Audit Board and the Civil Service Commission to the government, but the government might have taken the House into their confidence a little more and told the Civil Service Commission candidly: We are prepared to go so far in the revision of salaries upward. That has not been done.

The Civil Service Commission have been blamed by the government, and while I am

not prepared to go so far as to say that they should be blamed or are at all to blame, I think the government and this House should do something to protect the country from the great inconvenience that will be caused if a strike occurs. The ultimatum I believe has been issued and will expire in a few hours and if a strike happens it will paralyze business. Coming from an industrial city, I know how strikes tie up business. The business men of the country surely deserve some consideration, and a showdown on this whole question is requested. I know that the postal employees in the district from which I come are not the kickers; they are patriotic citizens and the last thing they would want to do is to inconvenience the public one iota. In view of that they have been long suffering and patient, and I hope the government has some favourable statement to make to-day in the matter. For these reasons I did not like to move this resolution, but many business men, commercial firms and public bodies in the city from which I come, requested me to bring the matter before the House and get some action on it. I could not get it before the House on the Orders of the Day nor on the Post Office estimates, and the only course I had open to me was to move this resolution. I have received numerous letters and telegrams from public bodies—a strike vote will be counted to-day at six o'clock; I have been told that the men are to strike.

It has taken nearly six years since the war ended for this bonus to be turned into a straight salary recommendation. The city of Toronto and outside commissions have about 12,000 employees to whom they used to give a war bonus; but as soon as they could after the war they turned the bonus into a straight salary. I urge upon the government to do something to avert this coming strike. What I suggest is that the employees are entitled to either, first, a board of conciliation under the Industrial Disputes Act or, second, a select committee of the House should be appointed to bring in a report within ten days recommending how far we should go in the matter of revision of the statute. If the House does something, a strike will be averted, but if a strike is not averted the trade and commerce of the country will be very seriously hampered. The facts are known to every one and I ask for immediate action before it is too late.

Mr. W. F. MACLEAN (South York): Mr. Speaker, in seconding the motion, I take advantage of this opportunity to call the attention of the Prime Minister to a discussion that took place on this matter yesterday:

> Mr. Maclean (York): In view of the probability of there being some trouble between the government and the men, is there not some action open to the government which might meet the situation?
>
> Mr. Mackenzie King: The government will be pleased to receive from my hon. friend or any other hon. gentleman any suggestion be wishes to make in that regard.

With that view of the matter, I hope the Prime Minister will take this as a suggestion—perhaps someone else may have a better one—and bring about some action that will avert this strike.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The motion which has been presented to the House opens with the following declaration:

> The application or request of the postal employees received by the government since yesterday for an amendment to the present statute relating to the revised schedule of wages by the Civil Service Commission and the refusal of the employees to accept the said schedule, and their intimation that within forty-eight hours a strike will occur which will, if allowed, cause great damage to trade and commerce and inconvenience to the public and to business of parliament as well.

That declaration, so far as the government is aware, is quite inaccurate. No application or request of the postal employees has been received by the government since yesterday. I do not know where my hon. friend got his information; but neither the Acting Postmaster General (Mr. Stewart) nor myself—and I think it would be the one or the other to whom a communication of this kind would be addressed—has, up to the present time, received any such application as is referred to in the motion of my hon. friend. The motion uses the words,

> their intimation that within forty-eight hours a strike will occur.

The government has received no intimation to that effect. Perhaps my hon. friend would tell the House the source of his information. I think it ought to be made perfectly clear to hon. members that since the schedule attached to the report of the Civil Service Commission has been sent to representatives of the postal employees, the government has received from them no official communication whatever. What has appeared in the press has appeared in the press without the knowledge of the government as to the sources from which the different declarations were emanating. Up to the present time no communication of the nature described in the motion has been received. On the other hand, I understand that the Minister of Labour (Mr. Murdock) and the Acting Post-

master General have both taken steps to intimate to representatives of the postal employees that they would be pleased to receive them in conference and hoped that any such action as that which was being referred to in the press would not be taken by them without the most careful consideration in every particular.

Mr. IRVINE: Does such an invitation by the Minister of Labour mean anything in view of the fact that no alteration can be made in the revised schedule unless parliament makes that alteration?

Mr. MACKENZIE KING: Perhaps my hon. friend will let me proceed further with what I intend to say. When the government referred to the Civil Service Commission the revision of salaries of postal employees, that was part of a larger reference embracing the entire public service. The clause in the order in council in that connection reads:

> The committee of the Privy Council, on the recommendation of the President of the Privy Council, advise that, in accordance with the announcement made by him in the House of Commons on the 19th March, 1924, (copy of which is submitted), the Civil Service Commission be directed to undertake immediately a revision of the salaries of the Civil Service of Canada and to report thereon to His Excellency in Council at as early a date as may be possible.

It is the salaries of the entire Civil Service of Canada that the Civil Service Commission is being asked to report upon at the present time. To oblige the postal employees, the government asked that their department be the first to be taken up by the Civil Service Commission, but that as soon as it was concluded, the other departments of the government should then be proceeded with. In the report which the Civil Service Commission made to the government on the 8th May, the following paragraph is included:

> The importance of this revision in the postal service will be apparent when it is considered that increases in basic rates of compensation and consequent increased cost of the service would not be confined to the postal service, but must necessarily be also applied to the whole public service as the work of salary revision is proceeded with.

I hope that hon. members and the country will appreciate the significance of that statement in the report of the Civil Service Commission to the government,—that in taking up the revision of the salaries of postal employees they have had in mind the principles which will obtain with respect to the entire public service of the Dominion. The government feel that to take any action at this moment beyond approving what the Civil Service Commission has recommended might be most prejudicial to the further inquiry which the Civil Service Commission is making, inasmuch as the country will not know until the commission has concluded its examination of the revision what the cost to the country, of the practical application of the recommendations is going to be. We therefore feel that until we have before us the report from the Civil Service Commission with respect to the entire Civil Service we shall not be in a position to consider, as we should be able to consider in all its aspects, what the consequence would be of recommending to parliament any concession or any addition to the salaries of any classes of employees beyond what may be recommended by the Civil Service Commission.

We are prepared, when the Civil Service Commission has submitted its report upon the salaries of the entire Civil Service, to consider that report carefully in the light of all the material which we have before us and to make to parliament, if we think it advisable so to do, recommendations supplementing those which are contained in the report of the Civil Service Commission. But we do not feel that we are in a position to make any recommendations to parliament at the present time with respect to the postal employees; and I hope that the employees of the Post Office Department will see that the position which the government is taking is one which is in the interests of the entire Civil Service and in the interest of the taxpayers of the country as well.

Mr. IRVINE: Is the government satisfied with the revision in so far as it applies to the postal workers? In the government's opinion, is the rate of salaries in this particular sufficiently high?

Mr. MACKENZIE KING: The government has taken the report of the Civil Service Commission as received and has approved it so as to enable such increases as are set out therein to go into effect immediately. I have already indicated that until the government has received the report respecting the entire service of Canada and is able to state to parliament and to the country what an addition in any one direction is going to mean in the cost to the nation, the government is not prepared to express any further opinion than that which has been given by its action so far.

Mr. IRVINE: In that case, would it not be better to continue the cost of living bonus to the postal employeees until such time as the commission's full report has been submitted to the government?

Mr. MACKENZIE KING: The matter of salary revision has already been referred to the Commission and parliament apparently approved of that action at the time it was taken. No exception was taken by hon. members, including my hon. friend, to the course which was being adopted by the government in referring the matter to the Civil Service Commission; and, that action having been taken, with the entire approval of the House, it seems to me that the House should support the government in standing by the recommendations which the Civil Service Commission has made, until at least we have received information covering the service as a whole.

Mr. EULER: When the complete report is received, if the government should decide that the salaries now paid to postal employees are not sufficient, will any addition that might be made be retroactive?

Mr. MACKENZIE KING: That is a matter which will be considered at the proper time. However, I may draw my hon. friend's attention to what appears in the order in council referring the matter to the Civil Service Commission: There is there an undertaking that such recommendations as the commission may make will be made retroactive in just such a manner as he suggests.

Mr. J. S. WOODSWORTH (Centre Winnipeg): It does not seem fair that the amounts to be paid to postal workers should be dependent upon the schedule as it may appertain to Civil Service workers generally. We are faced with a concrete situation at the present time; the postal workers claim very distinctly that the amount they receive is not sufficient to maintain a decent standard of living, and that fact will not be altered by any further considerations which the commission may bring forward. I would submit that throughout the country generally there is a very considerable interest in this matter and there is a strong sentiment in favour of an increase in the salaries of postal workers. When this matter was being discussed some months ago I noticed an article in the Toronto Telegram—not one of the most radical of Canadian journals—under date April 19, which summarized somewhat as follows:

> The job—a postal porter's helper.
> The hours—4.30 a.m. to 12 p.m., six days a week.
> The work—handling filled mail bags 50 to 100 pounds.
> The pay—$8.50 a week.

That probably represents the lowest grade of the service. On the other hand the great majority of the postal workers are engaged in very responsible work and they receive in many instances less than is supposed, according to the statistics furnished by our own departments, to be the minimum cost of living. Permit me to read a paragraph or two from a recent issue of the Winnipeg Evening Tribune.

Mr. STEWART (Argenteuil): Where does the hon. member get the figure $8.50 from? There is no such salary paid.

Mr. WOODSWORTH: I was quoting from the Telegram of April 19.

Mr. STEWART (Argenteuil): The very lowest salary now paid to postal employees is $780 per annum with bonus in addition.

Mr. WOODSWORTH: I desire now to quote a paragraph or two from the Winnipeg Evening Tribune of Wednesday, the 11th instant:

> The new scale, by abolishing the bonus and substituting a 15 per cent increase of the basic salaries, will, it is true, raise the pay of some of the higher officials over what was proposed last March. But for married men in the medium grades the salaries will in many classes be even further reduced.
>
> Letter carriers in the top grade, for instance, were paid during the last fiscal year at the rate of $1,557 per annum. This amount included $1,260 salary and $297 bonus. In March last it was proposed to cut the bonus by $99 so that the total maximum salary and bonus would equal $1,458. The letter carriers protested to the government against this reduction, and quoted official figures to show that the reduced salary was well below the level set by the Dominion Department of Labour for a decent standard of living for a family of five persons.
>
> There was some unfortunate talk of a strike, but the government poured oil on the troubled waters by promising reconsideration of the salary schedule. It is now proposed as a brilliant solution of the problem that the bonus shall be dropped altogether and that the basic salaries shall be raised about 15 per cent. The letter carriers are thus offered a maximum of $1,440 a year, which is $117 less than they received last year and $18 less than the protested schedule of last March . . . . It is not too late for the blunder to be rectified. It is understood the Prime Minister has yet to confer with the postal employees. The people of Canada do not begrudge a fair wage to their public servants in exchange for faithful and honest service, and few fair-minded people will consider $1,440 a year to be adequate remuneration for a letter carrier of experience and integrity who faithfully performs his arduous duties.

It is not my intention to go into any comparison of the new with the old schedules. From a number of our western cities we have received telegrams urging that there should be a revision of the proposed rates. I think that the general opinion is that the range should be from $1,260 to $1,980. Now, Mr. Speaker, the question is, what can be done in the face of the present serious situation? It is several months since the protests were made, and the postal employees have done

apparently all in their power by what are termed constitutional means; that is to say, they have preferred their requests to the government and made their representations to the Civil Service Commission. The postal employees have protested also through members of parliament. What more can be done, so far as they are concerned? They seem to be driven to take direct action. Unfortunately there are members of the business community who are willing to push the matter to the limit. I read one sentence from a bulletin published by the Employers' Association of Manitoba, in which the solicitor of the association submits the following:

> In my judgment action should be taken immediately by the business interests to anticipate and prevent any interruption of the postal service. A strike by postal employees is essentially of a revolutionary character and ought not to be tolerated. There should be a law forbidding strikes by government employees and others engaged in operating public utilities.

Now, if there is no means of redress by an appeal to parliament what other course can the postal workers take than to refuse to continue working under conditions which do not assure them a decent living? That seems to me to be the situation with which we are faced at the present time. But the postal workers are told that since they are operating a public utility a strike by them would be regarded as revolutionary in character! I quite admit that the postal employees do occupy a peculiar position. I think they feel their responsibility and realize that they ought not to strike unless it is absolutely imperative. But what other course remains open to them? You cannot reduce them to a condition of slavery. If they are urged not to strike, surely we in this House ought to be able to offer them some alternative. We ask the Prime Minister what can be done, and he says, "We are in the hands of the Civil Service Commission; we cannot do anything without altering the Civil Service Act."

Mr. BUREAU: That is not exactly right, Mr. Speaker.

Mr. WOODSWORTH: I understood that to be the Prime Minister's position.

Mr. BUREAU: The Prime Minister said that the government would take no action until the report of the commission was in for all branches of the Civil Service, so as not to prejudice any of them.

Mr. WOODSWORTH: If that is the case, if we must take no action until that report is received, I would submit that in the meantime we should continue the present scale of wages with bonus, as my colleague (Mr. Irvine) has suggested.

I would urge upon the House the serious situation in which many of these postal workers find themselves. They are working on a very narrow margin; ten, twenty, fifty dollars may not mean a great deal to the majority of hon. members, but the smallest of these amounts means a very great deal to the rank and file of the postal employees; and if they were assured that, without prejudice, their case would receive full consideration, I am inclined to think that they might agree to the final settlement being deferred. But the matter has gone on month after month, in fact almost year after year—for the bonus has been regarded as a temporary provision—and consequently there has been a feeling of unrest and dissatisfaction in the service for several years while the final settlement was pending. Then when at last the settlement proves to be of this nature, it leaves them absolutely in despair of receiving what they regard as justice. I would urge that these civil servants, who have been doing faithful work for many years, have a right to look to parliament for some redress, and that at this time the government ought to assume definite responsibilities and not plunge the country into the throes of a general strike.

Mr. W. G. RAYMOND (Brantford): Mr. Speaker, I was rather surprised to hear from the Prime Minister that he had received no intimation whatever from the postal employees, for the newspapers generally have recorded meetings of the various branches of the Postal Workers' Association throughout the country, at which meetings the men decided in favour of a strike unless their position was altered. I think it would be humiliating for the government if the difficulty ended in a strike and the business of the country was thrown into confusion, as in that event appeals for a prompt settlement would come from all over the Dominion, and the government would have to act. I would respectfully urge that the suggestion made, I think first by the member for East Calgary (Mr. Irvine), and subsequently repeated by the hon. member who has just taken his seat (Mr. Woodsworth), that the full bonus of last year be continued, be acted on by the government, pending a final settlement. I do not think the postal workers have ever been unreasonable in their demands, and they have always put them forward in a reasonable manner. I think if this concession were granted it would avert the threatened strike. But if the matter is allowed to drift until it culminates in a strike, it will be more

difficult to settle the trouble then than by anticipating it now and making the concession which has been suggested.

Mr. H. B. McGIVERIN (Ottawa): Mr. Speaker, I am very happy to associate myself with the remarks of my hon. friend from Brantford (Mr. Raymond). On several occasions already in this House I have discussed at some length the bonus as applied to the cost of living, and it seems to me that in this case the bonus granted last year, which even then was a reduction of the bonus for the preceding year, should remain until a settlement is effected not only of the remuneration of the postal workers but of that of all other branches of the Civil Service. Pending the full report on civil service salary revision, it would seem to me that we should not do anything to lower the already low rates which we pay our public service. This House would then have a chance to determine what is fair and right. Therefore I should be very pleased if the government could arrange to continue the cost of living bonus granted last year. I have yet to see any fall in the cost of living figures, and certainly until there has been a decided decline it is only fair and right that this concession should be made. By so doing we are not taking anything away from the postal workers or any other members of the Civil Service until the question is finally decided by an appeal to parliament, if necessary.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, I find myself in full accord with the proposal to continue the cost of living bonus until a final adjustment is made. If we wait until the final report on salary revision is brought down before taking action, this session of parliament will probably close, and the civil service employees will be in a state of uncertainty and the country will suffer. I can truthfully say that in the western cities at least the cost of living has not gone down to such a point as to enable a family to be maintained on less than $100 a month, which represents the income of some of these men. I think the trouble with this country is that the big salaries are too big and the small salaries are too small. Some adjustment should be made, and I think the government should take this into consideration and act at once so as to satisfy those who are getting these lower salaries.

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, we had a postal strike in this country a few years ago, and the business of everybody in the country was so seriously hampered that it was found almost impossible to carry on. That manifestly must be the case in the event of any strike in the postal service. The only thing which, to my mind, would be worse than a postal strike would be a strike of railway employees. But this government has the responsibility of preventing that strike; it is the duty of the government to see that the postal service is carried on. whatever adjustment is necessary to that end should be made, and it would have, I am sure, the support of the House as a whole. Nobody can claim that the men in the postal service are receiving excessive wages. In the case of a man living in a city like Montreal, Hamilton, Quebec or Brantford, the amount he has to pay in rent makes it impossible for him to get the necessaries of life with any less salary than he is getting now with the bonus; that must be apparent to any one who has the responsibility of keeping up a house. The government might well use its influence with the Civil Service Commission—because certainly it must have some influence with the Civil Service Commission—

Some hon. MEMBERS: No.

An hon. MEMBER: None at all.

Mr. HOCKEN: The government has it in its power to repeal the Civil Service Act.

Some hon. MEMBERS: Hear, hear.

Mr. HOCKEN: That is a club that could be held over the head of the commission.

Mr. LOVETT: Would the hon. member support a measure to repeal the Civil Service Act?

Mr. HOCKEN: Why, certainly I would.

Mr. HEALY: Would you put that in writing?

Mr. HOCKEN: My hon. friend may be required to put his statements in writing, but I have never been asked to do that before. If he had been in this House in the former parliament he would know that I was perhaps the most outstanding opponent of the Civil Service Act; I did not believe in it then and I do not believe in it now. If this government says it has no control over the civil service, why does it not repeal the act, if it has any courage at all? That is the way to get at these people. If the commissioners will not do what is reasonable in the judgment of members of the government, the government can bring in a bill to repeal the act and get rid of the commission. So that when the government says it has no power and no responsibility and can do nothing but what it is told to do by the commission, I do not accept that. I do not think

any government should lie down to the Civil Service Commissioners, even though they may be under the control of this parliament. I say that this whole question of postal employees' salaries is in the hands of the government, and it must either meet or evade its responsibility. That it should meet its responsibility is, I am sure, what the country will expect.

Mr. A. F. HEALY (North Essex): Mr. Speaker, for once I find myself in complete accord with the member for West Toronto (Mr. Hocken) so far as the Civil Service Commission is concerned. At the same time I do not think the government should, in the face of a threatened strike, be forced into the position of taking action without waiting for the final result of the judgment of the Civil Service Commission on all salaries for civil servants, unless that judgment is going to be delayed too long. Speaking for my own constituency I may point out that the minimum wage proposed is not such as to enable a man to live decently in the city of Windsor or in the adjoining municipalities. For that reason I say that the proposed salary rates are certainly too low. It is impossible for any man to keep up a home in any of the business centres, I believe, on less than $100 a month; that should surely be the least that this government should call upon any civil servant to work for; and at that he should be able to look forward to increases from year to year so that after he has been in the service for a number of years he will be able to save a little for his old age. I sincerely hope that the government will request the Civil Service Commission to come to a decision as soon as possible on the salaries of all branches of the civil service, and that in the meantime the postal workers may be satisfied to await the decision of the Civil Service Commission and ultimately the decision of this House on the report brought in by the commission.

4 p.m.

Mr. W. D. EULER (North Waterloo): Mr. Speaker, I would like to support the suggestion made by the hon. member for East Calgary (Mr. Irvine), if the government find it necessary to delay consideration of civil service salaries until the whole revision has been made by the Civil Service Commission, the bonus to the postal employees be continued until that revision has been made. It would be entirely unfair and illogical to reduce the salaries of the postal employees, under the report made by the Civil Servcie Commission, and at the same time to continue the bonuses to all other branches of the civil service. It seems to me that would be unfair discrimination.

I would like to support the statement of the hon. member for North Essex (Mr. Healy) that the present salaries of letter carriers are not any too high, and for my part I would not like to see them reduced. I think it is known that I have always been a supporter of the Civil Service Act, and I still like the principle of making it impossible to exercise too much political patronage. I do, however, make this differentiation: while I believe we may have a good scheme under which appointments shall be made by the Civil Service Commission, it is going entirely too far when we leave in the hands of the commission the fixing of salaries and rates of pay for civil servants. That, it seems to me, should be entirely in the hands of responsible members of this House or of the government itself. I would like again to suggest to the government, if I may, that they allow the present rate of pay to continue—that is, the present salaries with bonus—until such time as the final revision can be made.

Mr. HUGHES: Is the bonus paid to the other branches of the civil service?

Mr. EULER: I would understand so.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I quite agree with the hon. member (Mr. Euler), but there is one aspect of this matter which perhaps has not come to the attention of hon. members, namely, that the proposed salaries are larger in the aggregate than the combined salaries and bonus amounted to before. The salaries of some of the lower-paid men in the postal service are being reduced, but under the proposed schedule those in the higher branches will get more than they were getting before with the bonus. So that there should not be any difficulty on the part of the government in letting the bonus stand for another year, because they will save a little money. I think I am right in that.

Mr. McGIVERIN: Not last year's bonus.

Mr. FORKE: The aggregate will be larger under the proposed schedule than the regular salaries of 1924-25 and bonus.

Mr. BELAND: Not the bonus of last year.

Mr. FORKE: Yes, last year.

Mr. BELAND: No.

Mr. FORKE: Well, I may be wrong, but there is very little difference; as I say, the lower salaries have been reduced and the higher ones are larger. I have received the schedule just this minute.

Mr. BUREAU: There is a uniform increase, and the higher-paid officials did not get the bonus. That is what makes the difference.

Hon. CHARLES STEWART (Acting Postmaster General): Mr. Speaker, no one will deny that to have a strike of postal workers throughout Canada would be a very serious matter. and no one will realize that more than whoever has to do with the administration of the Post Office Department. Although the situation is a serious one, to attempt to settle it in parliament does not appear to me to be the logical way to reach a conclusion in the matter. No matter what hon. members may think about the Civil Service Commission, surely they will agree that an impartial body of that kind is better able to deal with such a question as this than the House of Commons or the government itself. There are some things about the adjustment that perhaps do not meet with the view expressed by the officials of the department. But we have to bear in mind that the Civil Service Commission have facilities for getting information with respect to the cost of living, and if hon. gentlemen will refer to the order in council they will find that due consideration was to be given by them to the cost of living and the payment of salaries in occupations similar to those of the postal employees. The report of the Civil Service Commission states that they have done that; they have inquired carefully into the cost of living. That is what they say in their report; I am not speaking from my own knowledge because I have not got information on this question. Not only that but the deputy ministers of the departments were associated with them in discussing this matter. Afterwards the whole case was reviewed by the Audit Board who had all this information placed before them. Hon. gentlemen now have in their possession the schedule which was the result of all this investigation.

I am not going to take time to go into the whole matter this afternoon. I simply wish to say to hon. gentlemen—whether they are in favour of the Civil Service Commission or are opposed to them—that I think we can agree they are an impartial body to deal with a matter of this kind. Now, the postal employees, to be fair to them, complained they were not given full opportunity to present their case. I asked that the Civil Service Commission hear the postal employees; and a second time they complained that they were not given sufficient time to place their case before the commission. Furthermore the postal employees had an interview with the Audit Board and, I understand, they discussed their case very fully with that body. As a result of all this discussion and presentation of facts, both by the postal employees and by the officials of the Post Office Department, you have the schedule before you which embodies the finding of the Civil Service Commission.

Hon. gentlemen argue that the minimum salaries of the postal employees are too low. I should like to point out that the minimum salary under the old schedule was $780. The minimum salary proposed here is $1,020.

Mr. RAYMOND: Is the minister keeping in mind the fact that there was a cost of living bonus.

Mr. STEWART (Argenteuil): I am speaking of the salaries of which revision was made. Of course the Civil Service Commission as I have already explained, were asked to bear in mind the cost of living conditions and the conditions that prevailed under the bonus. But it is a fact that there is a reduction as between the old salary and the salary with the bonus added.

Mr. RAYMOND: Did not the postal employees make the contention that the cost of living bonus should be added to the salaries?

Mr. STEWART (Argenteuil): I am coming to the matter of the presentation of the claims of the postal employees. My hon. friends have had the schedule before them; I am merely mentioning the minimum wage because it came into the discussion this afternoon. This may be said with respect to the adjustment of the minimum wage: All three are nearly in agreement about the minimum, although not about the maximum.

Mr. WOODSWORTH: Before the bonus arrangement came into operation was there not an additional amount provided for western employees on account of the cost of living west of the Great Lakes?

Mr. STEWART (Argenteuil): It has been the practice to allow that in the case of the whole service. But one of the difficulties —I might allude to it while I am considering this branch of the subject—was this: When the adjustment of salaries was being made, that is to say in regard to the $780, it was pointed out to me by the commission and by the post office officials that that was the salary payable to a junior, to a young man entering the service. At the conclusion of the war, when our soldiers were coming home and it was difficult for them to get employment, the age limit was abandoned and married men became eligible for employment. Consequently in their case the salaries were found

to be too low. In considering this matter also it must be borne in mind that there are certain perquisites in the way of clothing that go with the salary and are still continued. I am not dwelling unduly upon that, but I want to say this: The result of the investigation is almost unanimous with respect to the salaries for those in the lower grades, but there is a difference of $60 between the recommendation of the Audit Board and that of the Civil Service Commission, and an even greater difference between the amount suggested by the officials of the department and the salary asked for by the employees. I am speaking now of the maximum salary, although the same remark applies to both the minimum and the maximum salaries. The point I want to emphasize is that throughout this investigation all agreed, or practically agreed, upon the minimum salary, and so recommended to the government. We have had that recommendation before us and it was returned to the Civil Service Commission upon two occasions. Hon. gentlemen have the memorandum of the commission before them and I am not going to refer to it, but the commission explain how they arrive at their conclusions. The statement of the government now is that when salaries generally are revised they are prepared to act on that basis and make it effective to the whole service. We have had that statement from the Prime Minister to-day and I am not going to dwell upon it.

My hon. friend (Mr. Church) makes a statement that the government have been notified officially by the officers of the Postal Employees organization that we had twenty-four hours in which to come to a satisfactory agreement with them. Well, we have no knowledge officially of that statement. It appears in the press but the department has received no information to that effect, and the Prime Minister has not been officially informed with respect to it. I did expect that when the postal employees—because we were constantly in touch with them; Mr. Murdock and I met them upon every occasion they came to Ottawa—had time to examine the schedule and had discussed it with their fellow employees we would probably have a further conference with them. I do not know whether they propose to adhere to the schedule they originally filed, or whether they would be willing to accept a modified one. If they adhere to that schedule its adoption would mean an additional expenditure in the Post Office Department of over $2,000,000. I am not saying that if that sum is required to give these employees a decent living it should not be granted, but I think the matter would want some further consideration than even the government or the House are prepared to accord it at this moment. I do not in any way suggest that we are shutting the door in the face of these employees, and are going to deny to them the right to discuss this matter with us and thresh it out until we reach a decision that will be satisfactory and avoid further difficulty. Nobody wants a strike. I would be the last to deny to the worker the right to take whatever action he sees fit and proper in order to protect his own interest. But surely civil servants, employees of the government and of parliament, are in a vastly different position to that occupied by the different workers throughout the country.

Do not assume that I am denying them the right of negotiation, the right of protest, or the right to take every proper means to bring legitimate grievances to the attention of the government or to those who may be in authority; but I do most solemnly protest and object to them taking such drastic action as would tie up the business of the country by way of strike. I think in fairness to the House and to myself I should make my position very plain. I have stated to the employees themselves that, so far as I am concerned, I am prepared in every legitimate way to give the postal employees or any other employees of this government what they are entitled to. But what does a strike mean? What will be the result of the strike? If one would judge by the temper of some of the speakers this afternoon, it means that parliament must succumb to the rights of the postal employees, without consideration of the question whether it is right or wrong, in order to avoid trouble. Surely the parliament of Canada is going to reserve to itself the right to run this country. Surely we cannot surrender that right, no matter what we may think about it, and I for one am prepared to go the limit. I am prepared to discuss with these men to-night, to-morrow or at any time, their legitimate grievances, and to sit down with them at any time and go into the matter. I have not the authority at the moment to say what the salaries shall be. In fairness to the Civil Service Commission, I say that they have gone into this matter conscientiously and fairly and made their finding. Perhaps further material might be brought to their attention, but if so I do not know of it at the moment. As far as I am able, I am prepared on all occasions to give to the civil servants of the country a fair deal; but I would deplore drastic action in the way of a

strike, and I think every hon. gentleman in this House would agree with me in that connection. It should be a very last recourse in industrial concerns; but so far as the police forces and the civil servants of the country are concerned, I cannot agree that it is warranted under any circumstances.

In reference to the newspaper reports upon which my hon. friend's motion is based, we certainly have no knowledge of a communication of the sort referred to. If there has been a communication of that sort it had not reached the officials at twelve o'clock to-day; certainly it had not reached me, and we have the statement of the Prime Minister that it had not reached him.

Mr. MARCIL (Bonaventure): Has the acting minister received from the secretary of the Dominion Federation of Postal Employees a request for a conference?

Mr. STEWART (Argenteuil): Not since the announcement of a civil service board. I did expect to have a conference with them, and will be glad to see them at any time.

Mr. MARCIL (Bonaventure): I see by the press the following statement emanating from the Secretary of the Dominion Federation of Postal Employees:

The public are warned through the press that all important mail should be posted before twelve o'clock noon to-morrow.

Mr. BUREAU: Who signs that?

Mr. MARCIL (Bonaventure): It is given out by the Secretary of the Dominion Federation of Postal Employees.

Mr. BUREAU: It is a report to the press rather than to the government.

Mr. STEWART (Argenteuil): We have been in touch with the postal employees, and constantly in communication, but we have not received the official notice purporting to be embodied in my hon. friend's motion. I am bound to think, Mr. Speaker, that before drastic action of that character is taken the representatives of the postal employees will desire to have further discussion with the members of the government at least. Undoubtedly a good deal of propaganda will be inserted in the newspapers, propaganda is bound to be circulated; but this is a very important matter, and I think we should be fair but firm in the situation.

Mr. W. A. BOYS (South Simcoe): This might be an opportune time for me to bring the attention of the government to a case in the service which seems to be entitled to perhaps more attention than even the matter which is now under discussion, although I do not rise for one moment to interefere with what may be considered absolutely fair from their point of view. In my opinion, if there is one class of employee in the government service whose condition is deplorable from a financial standpoint, and who is entitled to some redress, it is the rural mail carrier. We were told that under this schedule the minimum salary is $1,020, and we have heard statements made to the effect that men cannot live on $1,400. Have any of us stopped to reflect on what is expected of a rural mail carrier? He travels twenty miles and his remuneration at the rate of $45 a mile is considered by some excessive. I think I would be correct if I said the average rate was $43, but placing it at $45, we find that on a route twenty miles long he gets $900.

Mr. BELAND: For a daily service?

Mr. BOYS: For a daily service—and I am coming to that in a moment. Until last year he never had one holiday in the whole year except Sunday. Last year he secured New Year's day as a holiday. He works Dominion Day, Christmas Day and every other day in the year, excepting Sunday, even now—he has the one single holiday, New Year's day. If he does his work in the summer time with a horse and rig, he cannot travel a route of twenty miles without two horses. He has to maintain his horses and buggy in summer and his cutter in winter. And nobody seems to worry about him at all. Last year when the postal estimates were under consideration I took occasion to speak at some length on this subject, but I do not intend to speak at such great length to-day. I suggest to the acting minister that when he comes to consider, as he says, the whole government service and the revision of the employees' pay, for goodness sake do not forget the rural mail carrier. There is only one answer ever made, so far as I know, regarding him, and that is that he works on contract. He signs a contract, and when the contract expires a new one is advertised, and somebody is bound to do the work for perhaps a few dollars less. If you wish to apply the same argument to the postal employees, I venture to say that if the minimum salary is $1,020, and any one of those positions is advertised, you would get one or two hundred applications to fill the position at the same figure. I am not saying that that is a good reason why they should not get that much money—I do not say that—but I say it is not a good reason either when applied

to the rural mail carriers. These men render one of the best services, in my opinion, that has ever been rendered to the farming community. We want to see efficient men who are capable of doing their work well filling those positions. It is our duty to see that they get fair play which they are not getting just now. I most earnestly ask the acting minister to give them consideration when the whole question is under consideration.

Mr. STEWART (Argenteuil): Would the hon member abolish the tender system?

Mr BOYS: Yes, I would. They have no such system in the United States, they have a standard, and a man must live up to that standard. A fair remuneration per mile is given them. Let us look into the matter and see what is a fair wage for that service. How can we spend time talking about men being underpaid at $1,000 or $1,500 when we have men who have to work for the small wage paid to rural mail carriers? These men are not getting any consideration. I am not seeking in any way to interfere with the just claims of the postal employees, but I do most emphatically state that if it is thought their salaries should be raised, the rural mail carriers should also receive fair compensation.

Mr. HUGHES: I did not hear the suggestion the hon. gentleman is making.

Mr. SPEAKER: Might I ask hon. members to confine their remarks to the subject under discussion. Rural mail carriers are under contract and are not postal employees in the sense in which those whose salaries are being discussed are postal employees. When a motion to adjourn on a question of urgent importance comes up, the rule is that the discussion must not raise any question which, according to the rules of the House, can be debated only on a distinct motion under notice. I must, therefore, ask my hon. friend not to go beyond the motion which is before the chair.

Mr. BOYS: I realized myself, I may say, that, perhaps, strictly speaking and very technically, what I wished to say was not in order.

Mr. SPEAKER: No. It comes under the postal service, but there is a distinction, because rural mail carriers are under contract whilst employees of this class are salaried.

Mr. BOYS: I shall be quite content to say no more than to answer a question which has been put to me by an hon. gentleman.

Mr. HUGHES: The hon. member suggested that another principle be followed in regard to rural mail delivery, and I did not hear it. That is very important.

Mr. BOYS: In the first place, I do not suppose it is our duty, sitting where we are, to devise ways and means of dealing with this matter. I brought to the attention of the government what, it seems to me, is worthy of their attention, but I have no desire whatever to keep secret my thoughts. I would be prepared to change the system and to fix the remuneration at so much per mile, just as is done in the United States, at whatever rate may be considered fair.

Mr. ROCH LANCTOT (Laprairie and Napierville): We have heard in the newspapers reports in regard to strikes of postal employees, and I thought if this was a good time to talk about strikes, members of the House of Commons might go on strike, not to increase, but to reduce their indemnity, and thus set a good example to the rest of the country. Because, when we increased our indemnity, we were talking about the high cost of living and now the employees claim that it is not reduced. I think we, as a House of Commons, should make a sacrifice by reducing our indemnity and give that to the poor fellow who does not have enough to live on. I am willing to be the first man to do that, but not alone as I did in 1920 and 1921. I should like to see every hon. member agree to cut the sessional indemnity by $1,500.

Hon. members from the West claim that the cost of living is higher in the West than it is in the East. I do not agree with them. They are the people who raise the wheat, beef, pork, and we in the big cities of the East have to pay high freight rates to bring that wheat, beef and pork from the West. Therefore, I do not see how the cost of living can be higher in the West than in the East.

As regards the subject under discussion, I have always been opposed to bonuses. To pay a bonus is not a proper way to act. We do not pay bonuses to men in my riding. In Laprairie there is an immense brickyard employing about 800 people at the present time. Their wages run from 25 cents, 27½ cents to 33½ cents an hour. There is a fairly high tariff protection of 22½ per cent on bricks and our people are able to earn about $3 a day. My people of Laprairie work harder than the civil servants in the city of Ottawa, but they do not receive a bonus from this country. Is it fair that we, the farmers and the workingman on the farms and in the factories, should be taxed to pay bonuses to civil service employees?

That is the question that I have put to myself since the system of bonuses was commenced in the public service. If the civil service employees are not satisfied with their jobs, why do they not give them up and go to work on the farms? They will find out pretty soon that if they could get back their jobs they would take them as quickly as possible. In Ottawa what do we see on the streets every morning? People running, not working, but running because they are late, sometimes, for nine o'clock. If the people were to do that in the country, it would be pretty late in the morning before the cows were milked. The job is not the same at all.

As regards the situation in Montreal and other big cities, the claim is made that the postal employees want to go on strike. If people were wanted to fill their places, I think I could send to Montreal the next morning about 1,000 people who would be willing to give up their jobs at the brick yard at Laprairie or Delson and be pleased to go to Montreal, take those jobs and work five or six hours a day.

I do not object to a poor man with a family receiving a fair salary. The lowest, as stated by the minister, is $1,020. Where is the man in the country, where is the man at the brickyard at Laprairie, who makes as much as that? Our people get only $3 a day and they work about seven or eight months a year. They are, however, getting along all right. They raise families; their children are well clad and have shoes to go to school with, although their father has a salary of less than $1,000 a year. The trouble with the people in the cities is that they spend a little too much money to go to the movies sometimes; they go to bed too late and they acquire some habits, smoking cigarettes and that sort of thing on which they spend money for nothing. We, the farmers and the workingmen of the brickyards of Laprairie and Delson do not acquire those bad habits. We put that money in a sure place, that is, into the hands of the good woman who keeps the house and saves the money for us. We cannot go to the movies or smoke good cigars or good cigarettes. We buy meat, bread and sometimes molasses, and that is all we want. So I have been all my lifetime a man who has taken good care of money, and I think that is the only way to make a little money even though it takes a long time. That would not have been the case had I been a man to spend money for all the opportunities that come before me, for things that are pleasant enough sometimes. It is very pleasant to smoke a good cigar costing twenty or twenty-five cents, but I smoke that just on Sunday; and if I had any advice to give to the civil service employees, it would be for them to follow my footsteps. In that way, I believe in the long run they would not find it necessary to come before the Civil Service Commission or before parliament, and they would likely be able to save money. I understand that we want to be able in the near future to make both ends meet; that this parliament is not yet too well off, and when a man in private life is not too well off, he cannot spend money for nothing. I should like to see economy practised, and the government should set the example for the rest of the community. When my right hon. friend was in opposition, I discussed the question of bonuses for civil service employees. What I said then, I say the same thing now. I trust the government will find a way of having fewer employees, paying them better and endeavouring to get from the same employees a good day's work. That is all I want.

Mr. JOHN PRITCHARD (North Wellington): I agree with the sentiments of the hon. member (Mr. Lanctôt) who has just concluded as well as with the remarks of the hon. member for South Simcoe (Mr. Boys). I understand that some hon. gentlemen are of the opinion that remarks of the nature I am going to make are out of order, but I shall try not to depart from the rules in the few minutes I shall occupy. In the matter under discussion to-day we are faced with one of the real problems which this parliament will have to deal with sooner or later. The wage problem in this country is a serious one, and it is all the more serious at the present time because it has got out of balance. One section of our public service is now insisting that it shall retain the pay which it received during the time of the high cost of living. The fact of the matter is that we still have a high cost of living; the cost of living has not gone down, and the question naturally is, what is the reason for this? Well, the cost of living is high, for one thing because wages are high; and how we are going to reduce that cost of living is the important question. As the hon. member for South Simcoe observed, letter carriers who are receiving to-day $600 for travelling twenty miles daily during twelve months of the year must subscribe to the cost of maintaining the city employees with whom we are dealing to-day; he has to give the other man twice as much as he himself is getting. It may be said that the cost of living is higher in the city than it is in the country; but as a matter of fact the man who has to keep two horses and a rig in the country on $600 has a harder problem to

cope with than the city employee getting $1,200. I have no hesitation in saying that in my opinion every man engaged in a useful and honest occupation ought to be given such wages as will keep his family respectably and comfortably, afford his children an education, and allow him to put by something for a rainy day. If a worker is not able to do that because his wages will not permit it, then I say his wages are not high enough.

Now, there are two ways in which we can help the workers to realize this condition; we can either increase wages or bring down the cost of living. In my opinion it is imperative that the cost of living shall be reduced, because as I have said on two or three occasions one half of the people receive half of the wages which the other half of the wage-earners are given for their work. That state of things cannot continue, and as the last speaker remarked, there is no better way in which parliament can approach this subject than by reducing the indemnities of its own members. I have said that before. I know that some members of parliament might perhaps be justified in going on strike if that were done, as they might not be getting enough compensation for their time. But we all know how we are spending our indemnity; there is no denying it. I think we could do with less if we saw fit. So far as the present question is concerned, as has been observed, unless we are prepared to treat alike all the employees in the various departments we can do nothing at present; there should be no discrimination. When we can put every man in the employment of the government on an even basis it will be quite right to make a change. But in the meantime I think the suggestion is a wise one, that we wait until we receive the report of the Civil Service Commission before taking any action. The bonus might be retained temporarily until something definite can be done, but I agree with the Acting Postmaster General (Mr. Stewart, Argenteuil), that those who are in the service of the country should not assume the role of dictating to parliament, for after all we as the representatives of the people are, I am sure, anxious to do what is fair by every one.

Mr. J. E. FONTAINE (Hull) (Translation): I do not wish, sir to prolong this debate, however I deem it my duty to request the government to kindly keep up the civil service bonus, which was granted during the war at a time when the high cost of living prevailed, until reclassification of salaries takes place, not only as regards the Post Office Department, but all departments as well. One should bear in mind that the cost of living has not gone down in proportion to the general wish of lowering the salaries. To-day, for instance, rents are 50 per cent higher than they were at the beginning of the war. The same is true for fuel and at present we are paying $16 per ton for coal. Indeed, I do not think that the civil employees without the bonus can manage to live on the pre-war salaries.

I find it strange that it is always the salaries of government officials that we first pounce upon when it is a question of economizing. I think there are measures of economy that would be more equitable and more profitable to the country than the cutting down of the civil servants salaries. If there be too many employees, we may dispense with some; but let those who are needed and do the work receive a fair salary so as to allow them to bring up a family in a decent way and hold in society the rank which their position entitles them to. Again, I did not wish to let this occasion slip by without protesting—not only on behalf of the electors whom I represent, but on behalf of the electors of the whole country—against the lowering of salaries, especially before a final report is brought down in the House. I entirely agree with suggestion of the hon. member for Ottawa (Mr. McGiverin) to continue the bonus to employees until the reclassification of salaries takes place for all departments.

Right Hon. ARTHUR MEIGHEN(Leader of the Opposition): It is a mere platitude to say that like every other hon. member of this House I believe in fair salaries. The question as to what fair salaries are does not enter sharply into this debate, it does not enter now into the consideration of what the duty of parliament and of the government is in the premises. But, speaking of fair salaries, let me make this intimation to the government: I think that the facility with which they have yielded to the demand of the higher officials of the country for larger salaries year after year has had very considerably to do with increasing the unrest among those who are more moderately paid. The government, in so far as salaries have been within their own supervision and decision, have almost in every case yielded to pressure; and such salaries have now reached a scale very perceptibly above where similar salaries were at a time when the cost of living was virtually where it is to-day. This accentuates a situation which causes unrest and invites disturbance.

I have always supported the principle of having the general scale of salaries investigated by an impartial tribunal and by that tribunal determined, and after its decision and recommendation to the government, placing upon the latter the responsibility of acceptance or rejection. This was the system established some seven or eight years ago; it is the system in force to-day. Under that system the government has a power of review, and if it is desired that the general scale recommended by the Civil Service Commission should be increased or diminished, any government knows that if it takes responsibility in the matter the commission will follow its suggestion. In the time when the responsibility was ours, when we once accepted the commission's recommendation we stood by that recommendation, we took the responsibility for it and presented a united front to the service and to the country. Now, I say to the administration, I do not know whether there is to be a strike or not, but if ever a government invited a strike this government has done so by its vacillation, its pusillanimity, by its determination to avoid every responsibility and not even to stand by the officials of the country. The government's course from the beginning has been an effort to incite the service against the commission; never has the Prime Minister risen that there has not fallen from his lips a reflection oblique or direct on the system and on the commission, an effort to show that the government's goodwill knows no bounds but that the commission sits over there holding fast the government's beneficent hands. If only the matter were in the power of the government, if the late administration and the late parliament had not tied its hands, how bountiful it would be; but the commission is in control, responsible government is gone, and this commission-ridden government is compelled now to submit to a restraint that it deplores! Has not this been the continuous attitude of the administration? Would anybody expect contentment in the service, or a belief that after every possible consideration had been given to their claims they had to abide by the decision or leave the service? All the service have been led now to understand that the usurper to be dethroned is the Civil Service Commission, that already it is looked at askance by the government, and that, if only they raise enough disturbance, down will go the despot and their liberty will be complete.

What is the history of this matter? We had first of all the Civil Service Commission. This commission pursuant to the duties imposed on it by this House, some years ago recommended a classification and a scale of salaries in accordance therewith. The scale they recommended was designed for what they termed normal times, and they arrived at it by taking the ascending line of cost of living and of salaries which prevailed before the war, and projecting that line through the years of the war and the years thereafter right up to the time of the fixing of the scale; that is to say, they assumed that but for the abnormal conditions of the war the cost of living would have gone up at the same rate during the period of the war as it went up before, and they fixed the salaries accordingly. But they said to the government: We are quite aware that these salaries do not take account of abnormal living costs due to the war; these should be taken account of temporarily, because they are likely to be in themselves temporary; that responsibility of fixing a bonus was ours, and we fixed it as we felt right to meet the situation then prevailing. These are the circumstances that continued up to the period of this administration. There was some cutting of the bonus a year ago. At my hands this received no criticism. This year the government, anxious to make a display of economy, announced early in the session, or before, a very considerable bonus cut applicable throughout the service. Such announcement was equivalent to stating that in the view of the government under the cost of living conditions of to-day the entire bonus with the salary fixed by the commission amounted to too high a total. When this decision was announced there was a protest on the part of the Civil Service. The government, afraid to stand to its guns, saw the commission sitting over there, and said: We will put it on them, if we can. And the administration made a reference to the commission and asked for a revision of the whole salary list again. This was the first attempt to avoid taking any responsibility, or rather to avoid continuing the responsibility which it had taken, because when it made the reduction it declared to the service that it believed what they were receiving was too high. When the protest became loud enough the reference followed. I have gone through sufficient of the return just brought down—I have not had time to go through the whole of it—to make clear to me that the words of the Minister of the Interior (Mr. Stewart) were abundantly justified when he said in effect that if ever a commission or a body of men conscientiously went about its duties, this commission did. He states they received a representation from the post office employees

once, and again a second time. This is true. But according to this return they received a representation a third time, and still a fourth time, before the final submission of their recommendation took place. And as far as the return shows, nothing in the way of information or opportunity was denied, save a demand that the actual figures of the commission's recommendation, which already had been before the government but not approved, should be made known. The justice of this refusal, of course, every hon. member sees. The duty of the commission was not to make public its recommendation until the government had approved it; the government would have justly found fault had the commission done so in the meantime.

Now I come to inquire as to just what is the result of the investigation and report. I am astonished that the government has not disclosed to the House the real situation—the real schedule as approved by the administration, indeed, I am astonished that it has not gone further, that it has not made known to the country the outstanding facts so that all could judge the merits of the situation, because on the general judgment of the country the ultimate solution depends. On the contrary, the government has risen, chiefly through the Prime Minister, to profess itself impotent, sorry that it is so, of course, and, to the applause of those behind it who crave for patronage, to declare, "The commission is there, and until it is got rid of or shorn of its powers the government can do nothing." Would not the government have been better employed if it had first ascertained to the best of its knowledge whether the commission had fully done its duty, taken all things into account, and then, having so decided and approved the commission's finding, had stood up in this House and said: "The commission is right and we are behind the commission, and we intend to stand behind it through all eventualities?" I think this would have been worthy the dignity of the country, and would probably have led to much better results than confront the administration now.

I am going to give the facts so far as I have got them from this return. The cost to the country in 1924-5, under the scale obtaining the year before with the bonus of the year before, would be $13,134,000. Consequently had the government not acted and made by order in council a reduction in the bonus, the cost to Canada this year would have been—estimated, of course, but doubtless very accurately—$13,134,000. This is the amount the government considered too large and determined to reduce. They made a reduction on their own responsiblity, the total reduction being such amount as brought it down to $12,664,000; the difference, hon. gentlemen can calculate. Now, this is the reduction the government made. A protest then arose and the Civil Service Commission's work came in. The commission made a report, which was referred back but which subsequently was adhered to and constitutes the report approved to-day. On the commission's report the cost this year would be $12,956,000.

Mr. LANCTOT: Would that include the amount required for the civil service in Ottawa?

Mr. MEIGHEN: No, for the postal employees affected by the order.

Mr. IRVINE: Does the right hon. gentleman suggest that the government, by actually fixing the reduction, practically tied the hands of the commission in making their revision?

Mr. MEIGHEN: No; when I want to suggest anything I will do so. I have not said anything about that. The commission was perfectly free in the matter.

Mr. GRAHAM: The reduction to which my right hon. friend referred amounted to $470,000.

Mr. MEIGHEN: Then $470,000, was the reduction the government effected. The commission then reduced from what it would have been if the government had never touched the bonus, that is $13,134,000, to $12,956,000, or approximately 1½ per cent—a total reduction of $178,000. The government's reduction was $470,000, according to the figure just passed across to me. So under the commission's report, which I presume stands now, the cost for this year is $12,956,000, as against $13,134,000 had the government not interfered, and $12,664,000 had the government's reduction stood unmolested.

Mr. CRERAR: Has my hon. friend the total amount in 1920 when the full bonus was in effect?

Mr. MEIGHEN: No. I rather think it is in the return, but I did not note it for the purposes of discussion. Now, I have gone far enough to show just what the effect of the finding is, and also just what the position of the government is. Let me add that when the commission made its recommendation first, the protest still continued. The government made a reference back and asked the commission to reopen the subject, stating the grounds to be as follows:

The Acting Postmaster General and the chief officials of his department feel that further occasion should

be afforded them to make representations regarding certain anomalies apparent to them in the schedules submitted.

The representatives of the employees have also requested that a wider opportunity be given them to present their claims and to discuss proposals than was found possible to be allowed them when they were heard by the commission in the matter.

That is to say, the government referred these schedules back because of anomalies claimed to exist by officials of the Post Office Department, and secondly, because the employees desired further opportunity to be heard. It will be noted that the government made no statement or comment whatever as to whether the general scale and total were too high or too low. Having the reference back, the commission again heard the employees, once or twice, I am not sure which. They heard the post office officials, and the post office officials made recommendations as to their own employees which, if they had been accepted by the commission, would have raised the total to $13,487,020. That is to say, the Civil Service Commission was faced with this situation: A salary scale of $13,134,000 reduced by the government to $12,664,000; and at the same time the government's own officials of the Post Office Department coming to the commission and demanding a scale which would have totalled $13,487,020. In other words the commission was faced with a demand from the department for an increase of three hundred thousand odd dollars over the same figure which the entire government had reduced by $470,000. Hon. gentlemen will understand what part the government was playing in relation to the commission—just the measure and quality of co-operation which was being afforded.

5 p.m.

It is very natural for the officials of a department to seek a considerable scale for their own employees. I do not think there is a department of this government the officials of which will not argue—and probably argue conscientiously; certainly argue vociferously—that their employees are all paid too low compared with the employees of any other department. Naturally the post office officials so contend, and they put before the commission a scale which would have put the total at over $354,000 above the total from which the government had reduced it in order to make a display of economy to the people of Canada.

The employees, on the other hand, made their representations, as they had a perfect right to do.

Mr. STEWART (Argenteuil): Is my right hon. friend through with the reference to the post office officials? Because there is one important point there as to savings that might be effected in connection with arrangements regarding working hours. I think a reference to that will be noted in the memorandum of the commission as well as in that of the Audit Board.

Mr. MEIGHEN: That must come in the latter part of the correspondence. I did get as far as a reference to certain working conditions.

Mr. STEWART (Argenteuil): I merely mention it in fairness to the officials.

Mr. MEIGHEN: I venture to say that taking into consideration all the changes in working hours the post office officials had in mind, the amount involved would still aggregate a figure substantially above the total which existed before the government's reduction. The employees presented claims which in the estimation of the commission would have involved a payment this year of $15,055,000. Such was the plight of the commission. They placed before the government the major considerations which they felt should guide them in the discharge of their duty—recited them one by one; and I venture to ask hon. members to read the report of the commission and to read the recital of those factors which governed the commission in their decision. If hon. members do, they will say that regard was paid to those very things to which regard ought to be paid in coming to a conclusion in a matter of this kind.

It is surely the duty of hon. members of this House to be fair to the Civil Service Commission. If there is a body of men that has a difficult, well nigh impossible, task in this country it is that commission. They have to stand between the taxpayers of Canada and those who have to gain by importunities at their door; and they apparently also have to stand between the desire of the taxpayer for economy and the desire of the government for evasion and popularity as the prize of evasion. This seems to be the position that the commission is in. Now, on the last report being forwarded a confirmation of the first, with all the reasons, it was almost an intimation as to what the cost to Canada would be if the higher scale were followed —either the higher scale of the post office officials' recommendations or of the postal employees—what the whole cost to Canada would be applied over the entire service, and this information is in the hands of the gov-

ernment now. In the presence of these facts the government approves and that scale becomes the law of the land.

When a strike is threatened what is the conduct of the administration? Yesterday when the matter was called to the attention of the Prime Minister he rose and delivered himself of these words—I invite the attention of the House and the country to them as illustrating the position this government assumes in the face of what now confronts this Dominion:

> Parliament also gave to the commission like powers—

Having referred before to its powers as to appointments.

> —with respect to revision of salaries of civil servants, so that the power of revision of salaries of civil servants is taken away entirely from the government. This illustrates wherein to some extent we are being governed by commission and not in acordance with a system of a responsible government in the strict meaning of the term.

If this is not an attack upon the commission, on the whole system, I should like hon. members to define to me what is. Here is a declaration to the Dominion that the Civil Service law at the present time constitutes government by commission and is a negation of responsible government. Could a plainer incitement be thrown out to all those who feel they are not getting what they want at the hands of the commission an incitement to go on with the attack and the onslaught because the very institution they are attacking has not the support of the government itself? Then he goes on:

> The government, appreciating the position, took care at the outset to associate with the conmission in the matter of revision of salaries of civil servants, in particular the salaries of postal employees, which were the first to be referred to the deputy ministers and the Board of Audit. On each of two occasions that a report was made by the commission, having learned that the report was not acceptable to the postal employees, the government took such steps as were possible to secure a further consideration by the Civil Service Commission of their report. The government has gone in that direction just as far as it is possible to go in the matter, and as my hon. friend has said, if there is to be any further change in salaries, they will have to be made by parliament itself. The government is placed in the position, either of asserting that it is not prepared to accept the legislation which is on the statutes and of being obliged in consequence to ask parliament to enable it to revise or amend that legislation, or to stand by the legislation as it appears. We have not felt, at the present, at least, that we would be justified in asking parliament to amend or repeal the statute under which the Civil Service Commissioners have acted, nor to take action in any way other than in accordance with the recommendations of the commission.

What is the whole tenor and purport of that statement yesterday? Does it embody the slightest intimation that the government stands by the commission in the prosecution of its work? The slightest intimation that the government is prepared, in the event of a violation of the responsibilities of parliament and of this House, to stand by the recognized authorities of the country? Why, it is an intimation in every line that the government is not satisfied with the situation, it is an intimation to all those who threatened trouble that there is ground for their complaint, and the reason the ground exists is because parliament has tied the hands of this benevolent government and if it had not done so all these grievances would have been redressed. I want to know from the Minister of the Interior, in whose speech to-day I found a little more inspiration than in that of any other member of the government on this subject, whether he thinks that quotation reflects a manly stand, whether he thinks it reflects a stand worthy of the dignity of this House?

Mr. STEWART (Argenteuil): If I may be permitted to interject a word: I think my right hon. friend is taking a wrong construction entirely of the statement of the Prime Minister by quoting one paragraph and alluding to it as an indication of his stand. There may be a difference of opinion between the Prime Minister and my right hon. friend with respect to the commission, but surely the right hon. gentleman will not argue that every precaution was not taken in connection with this adjustment by the government and by the Prime Minister.

Mr. MEIGHEN: It is not a case of precautions at all, it is a case of an intimation to the country and the House.

Mr. STEWART (Argenteuil): If my right hon. friend will permit me, will he dwell on the concluding paragraph he has just read?

Mr. MEIGHEN: I will read it again. The two concluding sentences are these:

> The government is placed in the position, either of asserting that it is not prepared to accept the legislation which is on the statutes and of being obliged in consequence to ask parliament to enable it to revise or amend that legislation, or to stand by the legislation as it appears. We have not felt, at the present at least, that we would be justified in asking parliament to amend or appeal the statute under which the Civil Service Commissioners have acted, nor to take action in any way other than in accordance with the recommendations of the commission.

Mr. STEWART (Argenteuil): Exactly.

Mr. MEIGHEN: Yes, that is exactly what he said after explaining the helplessness of the administration. And why would he explain the helplessness of the administration

unless he felt there was a grievance to be redressed? What object was there in proclaiming the helplessness of the administration if there was no grievance to be redressed?

Mr. STEWART (Argenteuil): All I beg my right hon. friend to do is to consider the conclusion.

Mr. MEIGHEN: Yes, after explaining this helplessness he says: Under all the circumstances we feel there is nothing now for us to do but to accept the recommendations of the commission. Is that just to the commission?

Mr. STEWART (Argenteuil): My right hon. friend is putting on the Prime Minister's statement a wrong construction.

Mr. MEIGHEN: No other construction is possible.

Mr. STEWART (Argenteuil): My right hon. friend is putting a wrong conclusion on the statement. There is no word of the Prime Minister that would indicate that he had any further suggestion to make. He recites the facts and forms his conclusion. If my right hon. friend will confine himself to that I will be content.

Mr. MEIGHEN: Let me quote again:

> This illustrates wherein to some extent we are being governed by commission and not in accordance with a system of a responsible government in the strict meaning of the term.

Mr. STEWART (Argenteuil): Now my right hon. friend has gone back again to the beginning.

Mr. MEIGHEN: Certainly, I take it all. I have read it all and most of it twice. Is not this that I have read an intimation that there is something to be redressed? Then he goes on and says: Seeing that all we can do to redress it is to come to parliament we have decided we will not do it, for the present we will accept the recommendations of the commission. That is a precise and exact interpretation. In fact we do not need any interpretation; read the language itself and give the interpretation in the very language uttered. The duty of the Prime Minister was this: Having made up his mind, as he must have, that the schedule submitted was right, and having approved of it, it was his duty to stand up in this House and defend it.

Mr. STEWART (Argenteuil): Is not that exactly the conclusion of the Prime Minister's statement yesterday?

[Mr. Meighen.]

Mr. MEIGHEN: If this is defence then may Providence help the cause that gets a defence of that kind. And, now the subject is up again to-day, what is the attitude of the government? Are we told to-day that the government believes that what it has done is right, that the government believes the schedule is fair, that the government believes that between the taxpayer and those importuning the commission, the schedule adopted by the commission is just? No, we are not told so at all. Seeking for some way to postpone, and put off, and evade, they hit upon this, this is their last hiding place. We do not know just what the effect is going to be until we get the revision for the whole service; we will have to wait until that time; parliament will not be sitting then, but everybody will have to wait till that time—in the meantime giving intimation to those who threaten a strike in the public service that when that time comes they are going to be prepared to review the whole story again. This is the fine fortitude displayed by the government this afternoon. I do make this appeal. There is fairness coming to everybody. There is fairness to the Civil Service Commission acting in the discharge of an onerous and distasteful duty. This government from the beginning has been utterly lacking in according that fairness to the commission, and this government now in the face of an emergency, where probably for the first time in its life it will ultimately have to take some definite stand, is only being visited with the penalty which its own weakness and vacillation have brought about.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Of course we are accustomed to the scolding of my right hon. friend. No matter what we do or where we go, or when we come back, the government is wrong; it is always wrong. My right hon. friend appeals for fairness for everybody. He has not the first scintilla of fairness in the makeup of his constitution when he refers to the government. It would be well now for him to start and be fair to the government. I know it will be a hard task, and cause a good many spasms, but let him try it once. He puts us in the position "you'll be damned if you do, you'll be damned if you don't."

Mr. MEIGHEN: Oh no, I told you what to do.

Mr. GRAHAM: Of course. My right hon. friend's contribution, or even his suggestion, as to the best method to proceed in the settlement of this question cannot

be found in his speech. From beginning to end he talked about something else, so as to get a whack at the government. The government is wrong if it upholds the commission—

Mr. MEIGHEN: I never said that.

Mr. GRAHAM:—and the government is to be abused should it not uphold the commission.

Mr. MEIGHEN: Will the minister tell me one sentence I have uttered, either in this debate or any other, where I have said the government was wrong in upholding the commission?

Mr. GRAHAM: It is not what a man says, but how he says it, and the connection he makes with other things he says. He has argued for half an hour against the government because it accepted the finding of the commission.

Mr. MEIGHEN: He did nothing of the sort. My hon. friend cannot quote one sentence of mine to support that statement.

Mr. GRAHAM: Then what is all the scolding about?

Mr. MEIGHEN: Just for what I described in the plainest possible terms.

Mr. GRAHAM: I am talking about what it did. The government accepted the finding of the commission. That is all it had power to do, unless it rejected the finding. My right hon. friend might leave the impression with the country that the government had power under the statute to change the finding of the commission.

Mr. MEIGHEN: I never said that.

Mr. GRAHAM: Certainly not. But that is the inference many hon. members would draw from his remarks.

Mr. MEIGHEN: I would now ask any hon. member in this House to say that he drew that inference from my remarks.

Mr. GRAHAM: Perhaps they will not accept the invitation, because he will then have an answer in some other direction.

Mr. MEIGHEN: The minister did not draw the inference himself.

Mr. GRAHAM: No, because I knew better.

Mr. MEIGHEN: I knew better, too.

Mr. GRAHAM: I made a note of my hon. friend hedging and dancing round that point when he referred to the duty of the government, and what a pusillanimous government it was and that when the report came back it could not do one thing or the other. The Department of Justice has stated that all the government can do under the act is either to reject or approve. Would my hon. friend say we were right if we had rejected the report? Of course he would have said we were wrong no matter what we did, but would the country have said we were right had we rejected the report? What would have happened if we had rejected it? There would have been chaos, or another report would have been brought in which would have been exactly the same, and then another rejection. That was not the government's idea. The government saw that there was a vast difference of opinion between the postal employees and the Civil Service Commission on the one hand and, the postal department and the Audit Board on the other. I agree with the right hon. gentleman that when the Civil Service Commission made its report it gave good and substantial reasons for their finding. The matter was then referred to the Audit Board, who, except in some of the higher classes, I think, practically agreed with the finding of the Civil Service Commission. In order—and I appeal to hon. members on both sides of the House on this point—if possible to get unanimity of opinion expressed in their report, the Audit Board and the Civil Service Commission were brought together to discuss before the government—not alone but to discuss in the presence of the government in the council chamber—their differences and their reasons. Now would it not have been a good thing if the Audit Board and the Civil Service Commission could have been brought together and made a report to which they both agreed? Certainly it would. That is what the government did. After the Civil Service Commission had heard all the Audit Board had to say in reference to its stand, its members took all these things into consideration; and were asked by the government, in view of all these things and the new light that might have been brought to them, if they desired to make any change in their report. They took a few days to consider, and made no change in the report. I want to say distinctly and not offensively that the government is standing by the Civil Service Commission because it is the body authorized by statute to make this report and to give a decision. There has not been any abuse of the Civil Service Commission, because the government did its best, on behalf of the peace and good government of Canada, on behalf of the employees of the govern-

ment and of the commission itself, to ascertain if it were not possible to have unanimity in the finding or in the conclusions of the Audit Board and of the Civil Service Commission. That unanimity was not arrived at, and under the statute the government has approved of the action of the Civil Service Commission.

Referring to the strike, I am sure I will not say anything to incite a strike. I am inclined to think that some things have been said here to-day that will not mollify the feelings of the gentlemen who are inclined to striks, but will furnish encouragement for them to do so. I say now to the postal employees of the Dominion of Canada that the men who advise them not to strike are their friends far and away beyond those who advise them to strike. The parliament of Canada is always in a position to deal with situations if it is allowed to do so, but employees can put themselves in a place where parliament can only do one thing, and that is not what the postal workers desire. My right hon. friend, of course, abused the government. I am not surprised at that. That is a habit. As Harry Lauder would say, "That is nae a habit, it's a gift".

One of the reasons my hon. friend ascribed for this unrest in the Civil Service was the fact that some of the officials in the higher grades had their salaries increased. I want to say right here, with some experience, that the majority of the men and women in the Civil Service who get the higher salaries can obtain better salaries in other walks of life. Men and women who are taking the full responsibility for the expenditure of millions of money, handling work of great importance in this country, can almost at any time they desire have their salaries increased by going to a private concern. That happens time after time, and the reason why salaries were raised —and it was a selfish reason in many cases— was in order to retain the services of men who would otherwise leave the service and secure higher salaries. I can instance man after man in the higher salaried positions of the Civil Service at Ottawa who can, in ten days, secure a better position than he has now at Ottawa. The worry and the responsibility of one of these men in the higher positions of the Civil Service of Canada, to say nothing of the work is sufficient to drive the best men out of the service, and I am surprised sometimes that we are able to keep them. I believe it is only on account of their devotion to public duty that we are able to retain some of the men in the higher positions of the service of this country.

[Mr. Graham.]

One of the difficulties in the Civil Service— my right hon. friend referred to it from another angle—is the fact that everybody in the Civil Service knows what every other person in the service is receiving. Publicity in that respect, many members of parliament will say, is good. But knowing what it is to be at the head of a department, let me say that the jealousies arising in the Civil Service create a great unrest, and if one of the clerks comes with a complaint, it is not that he or she is not well paid, but that another employee beside him or her is not doing any more work, but is getting better pay. If we could devise some means by which no person in a department would know what salaries the other employees are receiving, that would remove a great deal of the jealousies in the Civil Service.

I do not know what else the government can do. The government is behind the Civil Service Commission in its report. The threatened strike is undoubtedly a serious matter; but I say now—and I want to say this without any harshness—if, under all the conditions at present existing, the postal employees are not prepared to await the final decision of the Civil Service Commission for all the service, but inisist on putting the business of this country into a great turmoil, then the parliament of Canada is not responsible for that, but they will have to take the responsibility. I appeal to them, to their friends to advise them not to take that responsibility, but to accept what has been done in the legal, constituted way through the Civil Service Commission, and perform their duties under the new schedule, because there is not so much difference between it and their demands and the old schedule. I would suggest that they wait until the decision of the Civil Service Commission has been arrived at for all the service, and parliament may then decide in its wisdom, not to over-ride the Civil Service Commission, but to devise some method by which an adjustment can be made that may be nearer the desires of the postal employees.

What I want to make clear is that the government has done its duty to the employees of the postal department; it has done its duty to the parliament of Canada, and it is prepared to accept all the responsibility for what has been done. We do hope and trust that the postal employees will not be misled into taking an action which will make it more difficult for parliament to deal with the matter in a manner that it might otherwise desire to do.

Mr. WILLIAM IRVINE (East Calgary): ,Mr. Speaker; I am very glad that the hon. member for North Toronto (Mr. Church) has brought before parliament this matter of the dissatisfaction of the postal employees with this proposed salary revision. I had intended in response to urgent messages which were sent to me from the postal employees of the city of Calgary, to bring this matter up to-morrow in a similar way, in which case I would have required some data with respect to the cost of living and salaries, which I had not. I am glad, however, that the matter has been brought up and that so many hon. members have expressed their opinions. I am delighted to know that no hon. member so far has even hinted that the dissatisfaction of the postal employees is in any way unfounded, although at the same time a number of hon. gentlemen have kept as far away from the real problem as, I think, they could possibly get. Theoretically, the Canadian parliament is supposed to be supreme in all matters, and surely a question that involves the possibility of a strike of public servants is well within the jurisdiction of a parliament that claims to be supreme. At the same time it appears to me that ministers of the Crown have become involved in some way by placing the Civil Service Act and the Civil Service Commission between this parliament and the proposed strikers outside and saying virtually this: Now, if you are going to strike. just look at this; here is the Civil Service Act. That is all we can say to these men. We are virtually declaiming against our own boasted theoretic power. I do not propose even to suggest that the Civil Service Act or the Civil Service Commission shall come between me and my duty or parliament and its duty with respect to the matter which has been brought to the attention of the House by the hon. member for North Toronto.

The question really is not one of the Civil Service Commission, although much of the debate between members of the government and of the opposition has circled around the Civil Service Commission. The real question is: Are the proposed salaries of the postal workers sufficiently high to keep them from striking? The employees have not said: We are going to strike because you have a Civil Service Commission. They have said: We are going to strike because the proposed salary revision is too low. We have not heard very much comment on the part of the government with respect to that question, and that is the question. I could not hear the hon. member for North Toronto when he was speaking. I presume, however, that he reviewed briefly the history of the negotiations of the employees in regard to salary revision.

Hon. members know that a cost of living bonus was added to the salaries of civil servants involved in order to meet the increase in the cost of living caused by the war. That has gone on until the present year when the government has proposed to remove it. Last year they removed part of it. This year they proposed to remove it all. They, however, suggested that the bonus would not be removed; that it would be added to the salary. It is very well understood, I think, that the postal employees looked upon the salary plus the bonus as being too low, and they had looked forward to the proposed revision in the hope that their salaries would be increased. But when the proposal came from the Civil Service Commission, it was discovered that there was a substantial reduction from what they received last year. It is not more than six weeks, I imagine, since the postal employees threatened to strike last time and as a result of that threat there were renewed negotiations. The schedule was sent back to the Civil Service Commission for revision; the final revision has come up, and again the postal employees have made clear their dissatisfaction with this proposal and threatened a strike in consequence.

I was rather amused to hear the Minister of Railways (Mr. Graham) a moment ago suggesting that the postal employees should wait until the complete report of the commission comes down; that is to say, they should wait until they know what some other class of civil servants are to get before they go on strike. So far as I can see, that is very poor advice. What difference would it make to the postal employees if the report should give twice as much in the way of salaries to some other class, or half as much, or put them on a similar basis? What difference in the world would that make? Would it put any more money into the pockets of the present employees of the postal department? I think not; yet it would have to convey a promise to do something of the kind before it could be considered good advice to the men who have threatened to strike, or induce them to stay their hand.

The Minister of the Interior (Mr. Stewart, Argenteuil), who I understand is acting as Postmaster General, suggests that this is not the logical way of meeting the situation; I presume he means that to bring the matter of the revision of salaries of the postal employees to the attention of parliament, as is being done now, is not the proper mode of procedure. He goes on to indicate to us

how the Civil Service Commission arrived at its conclusions, and he points out to us that this body is the logical one to deal with salary revisions, that it is impartial, that its actions were approved of by the Audit Board, and so forth. This of course is all very interesting and it is perfectly all right. But the point is that it has not been approved of by the people whom it most concerns, the people who will receive the salaries which have been fixed by the commission. The minister did not tell us whether the employees concerned had been consulted when the revision was made. What I want to know is upon what basis this competent body arrived at the present scale of salaries for the postal employees.

Mr. STEWART (Argenteuil): I want to correct the statement of the hon. member that the postal employees were not consulted. The postal employees filed a schedule and spent some time on two occasions with the commission presenting their claims.

Mr. IRVINE: I understand that the postal workers did present their claims; but to present claims and to be consulted in regard to the revision of salaries are, from my point of view, two entirely different things. Indeed, the postal employees are presenting their claims in the present instance, but that does not constitute any sort of consultation. Now, the situation is approaching an industrial warfare, and I do not see that there is much difference between the presentation of the claims of the postal employees to the Civil Service Commission, to which the minister has just referred, and the present manner of presenting those claims, except that at the present time there is a threatened strike. The matter is a little more decisive in its present character than was the mere presentation which the minister has interpreted as a consultation.

I am speaking from memory, but I think that the average estimate made by several bodies in Canada of the minimum amount required for the maintenance of a family of five is approximately $2,000; that is about the average estimate for such a family. We find, under the salary revision of the Civil Service Commission as it applies to the postal employees, that many of these workers, in fact the large majority of them, will have to work for half or less than half what is estimated as being necessary to maintain a proper standard of living for the average Canadian family. So that it would be interesting to known upon what basis the Civil Service Commission arrived at the proposed salary list.

But I am more interested at the moment in what is going to be the attitude of parliament towards the threatened strike. And this question was dealt with by both ministers of the Crown who have commented upon the subject before the House. The Acting Postmaster General wants to know whether we are merely to succumb as a parliament to the threat of the employees without an inquiry to ascertain whether there is any real difficulty under which these men are suffering. And he suggests that parliament should of all things be firm; in other words, parliament must actually resort finally to the club. The minister, I believe, declared that we must be fair and then be firm.

Mr. STEWART (Argenteuil): I want to object to the imputation of the hon. member; I never suggested that parliament would resort to the club; I was careful not to make any such suggestion.

Mr. IRVINE: I assure the House that I had no intention of misquoting the words of the minister; I believe his exact words were that we should be fair and then firm. I know that there is probably no hon. member who is fairer than the Acting Postmaster General, and I do not think that there is anyone who is kinder than he is. I do not suggest for a moment that the minister himself wants to resort to the club; but I do say that he has left no other course open to parliament. Merely to express the opinion that parliament wants to be fair first and then to be firm is all very well. But when parliament has nothing fair to offer, when parliament completely abandons the course of fairness and simply has nothing left but the club, then the club is what parliament will use.

There are two methods which parliament might adopt in this matter: One is the use of intelligence and the other the use of the club. If intelligence is to be applied it means that we must meet the situation precisely as it exists at the moment; it does not mean that the leaders of the two great historic parties shall get into a scrap as to whether the commission should or should not be. The question is, are the wages that are being paid to the civil servants in question too low? If they are too low, then what are we going to do to increase them and thus to prevent the threatened strike? That is the question to which we must apply intelligence; and if we do not deal intelligently with the situation there is only one thing left for parliament and that will be the club, in the event of the employees in question carrying out their threat.

I do not believe in strikes personally; I do not think they settle any question. But what I believe, or what any hon. member believes in regard to strikes makes no difference; strikes will occur if proper steps are not taken to ward them off. Under the existing situation they are inevitable. So that the question still confronts us, shall we apply the method of intelligence or shall we use the club? Upon the answer to that question will depend whether or not a strike occurs in the present instance. I want to point out that no hon. member has expressed the opinion, at least so far as I have been able to gather, that the salaries now paid postal employees are at all too high; no suggestion of that kind has been made. I think therefore I am justified in concluding that in the opinion of those who have spoken these salaries are if anything too low.

Mr. STEWART (Argenteuil): Has my hon. friend read the evidence submitted by the commission with respect to the investigation that was held to fix the salaries of postal employees?

Mr. IRVINE: I have not read it. However, I have read the schedule embodied in the last order in council dealing with this matter, I have seen the estimated cost of living figures, and I have received the protests of the organized workers concerned; and for the moment these are the factors which lead me to my conclusion.

Mr. STEWART (Argenteuil): My hon. friend is assuming that the protests of the postal employees are correct, and that anything short of their demands is not justified. I do not wish to enter into a controversy with him, but I would point out that the instructions in the order in council were for the commission to make careful inquiry as to living costs and the prevailing rates of wages in similar employment. The commission have done so, and upon that basis they have arrived at certain conclusions. In fairness, I think my hon. friend should not assume that one side of the question is all right and the other all wrong. If the commission have made a mistake in their conclusions, something might be said in objection, but they say they have carried out their instructions.

Mr. IRVINE: Mr. Speaker, the hon. minister has not brought any more light to bear upon the matter by objecting to the position I am taking. I take the position that the salaries fixed by the commission are not sufficiently high to ensure to those who receive them a proper standard of living for Canadians. If the minister believes the salaries are high enough, then why not say so and assert that the whole claim of the employees is monstrous?

Mr. STEWART (Argenteuil): My hon. friend is dealing with one particular phase of the matter; there are many phases. I might mention the hours of employment, the rates of remuneration, and the runs of mail clerks; these make a vast difference, and the schedule does not expose them, but they undoubtedly would bear some discussion.

Mr. IRVINE: But the schedule does expose the fact that one class of postal employees at least will receive less according to this schedule than they received last year, and there is no evidence to show that there has been a corresponding reduction in the cost of living. Even the cost of living estimate put out by the Labour department is very much above the scale of salaries which is being paid to the large majority of postal employees. So I think I have good grounds for assuming that the salary proposals are altogether inadequate and that the objections to them are well taken. While that is so, and while the minister concerned and his colleagues who have spoken this afternoon have not taken objection at all to this claim, they are going to let things drift.

Mr. STEWART (Argenteuil): If my hon. friend will take into consideration one very prominent class of employees in Canada, namely, retail clerks, and compare their salaries—and I am not arguing for these salaries, but I think in fairness to the commission we should be frank about these things—he will find that even the $1,020 that is paid to the minimum classes of postal employees, and they are not very numerous, compares favourably with the salaries of retail clerks. I do not for a moment say that retail clerks are getting all they should get, indeed in fairness to them I think we should say that they are one class of workers in this country that is not receiving the remuneration which is due to its members, but I simply mention them in passing. If my hon. friend will compare the minimum with the salaries received by retail clerks he will find that even the postal helpers, who are the minimum class, though not very numerous, draw about the same salary. Then you have a higher class in the letter carriers who begin with a minimum of $1,080.

Mr. IRVINE: Mr. Speaker. I would suggest to the minister that he advise the Civil Service Commission how much Chinamen are paid in this country.

Mr. STEWART (Argenteuil): I am dealing with white people.

Mr. IRVINE: I thought the hon. minister was trying to find some excuse for the commission having arrived at this schedule by citing the remuneration of one of the lowest paid classes of workers in this country. As a matter of fact, the government is, I suppose, the largest employer of labour in Canada. It has accepted the principle of the fair wage basis, and we are expecting it to carry that principle into practice—so are the working people throughout the Dominion. How can we expect other employers to carry out their obligations with regard to the fair wage system if the government does not set them an example? I expect the government to pay more than the starvation wages paid to retail clerks. However, I do not think that has anything to do with the argument. The postal employees cannot live on the excuse which the Prime Minister has made for this government taking no further action. He has virtually said that not all the report is down and the postal workers should wait until they see what other branches of the service are going to get. But all the report is down so far as the postal employees themselves are concerned, and they are not interested in what other civil servants may get. The point is that the statement made by the Prime Minister will not be sufficient to prevent the threatened strike.

Let me suggest two or three things that might possibly be done for the moment. I think the government has accepted the principle of Whitley councils, that is, joint councils in cases of disputes of this character. I would suggest that they put the principle into practice. If they will not do so, then I would suggest that they take this matter out of the hands of the Civil Service Commission; or else, as the right hon. leader of the opposition (Mr. Meighen) has said, stand by the commission and make it clear to parliament, to Canada and to the workers concerned that the schedule in the opinion of the government is a fair one and will not be disturbed. Let them take some definite position like that. But meanwhile I would suggest that to-night the government give assurances to the postal employees that until the final revision has been made those employees will receive no less salary than they did last year. Of course, I am not authorized to say that this would be acceptable to the postal employees, I do not know that it would be fully satisfactory to them, but I think it is the minimum that would reassure them in this respect. I urge upon the government that they take this point into consideration without delay.

Sir HENRY DRAYTON (West York): Mr. Speaker, I do not think my hon. friend the Minister of Railways (Mr. Graham) made his usual high percentage of bull's-eyes in this afternoon's discussion.

Mr. GRAHAM: There was nothing to shoot at.

Sir HENRY DRAYTON: He made a lot of splendid jokes. The only man he could have shot at was his right hon. leader. My hon. friend may think that the Prime Minister is "nothing to shoot at;"—well, probably he is right. I wonder, Mr. Speaker, how many hon. members had any idea from anything that was said by the right hon. Prime Minister—who, I may notice, after making a very brief statement in connection with this very important matter, abruptly left the House—

Mr. GRAHAM: He is out of the city.

Sir HENRY DRAYTON: Then of course he cannot be here. But I wonder if any hon. gentleman ever got the slightest inkling of the real facts of this case from anything that the Prime Minister said. I wonder, for example if there is a single hon. gentleman on these benches who knew that before this question had even been sent to the Civil Service Commission the government had reduced these wages by $470,000? The House has been given to understand from the very beginning that so far as the right hon. gentleman and his government were concerned they had had nothing to do with this matter; it had been referred to the Civil Service Commission and nothing he could do could change the result; he was not responsible. Did anybody understand anything else? I am going to ask the Minister of Railways (Mr. Graham) whether he can point to anything stated in the House in answer to any of the questions put that would lead to any other conclusion? He cannot do it. Why, if there is one thing the government have to be thankful for it is that the Civil Service Commission is there and that they can use it as a smoke screen, as a buffer—they are always doing it. That is the kind of thing they thrive on. The reason it went to the Civil Service Commission was that it was sent there by the government. Why was it sent there by the government? Because the government had made their cut of $470,000 in those wages.

Mr. GRAHAM: Bonus.

Sir HENRY DRAYTON: I do not care what it is called—bonus or wages. Of course

the cut was in the bonus. Apart from a bonus the report of the commission raises the wages, all of them; therefore it is idle to play upon words or to differentiate between bonus or wages. The real truth is that the only reason why there was this reference to the Civil Service Commission was that the government had cut the salaries of postal employees by $470,000, and, running true to form, would not take the responsibility for it. There was a chance to squirm, and the screw was working just as well as it ever worked. No responsibility on the part of the government, but a reference to the Civil Service Commission. Now, after getting to the Civil Service Commission, what further did the government do? Taking every one of the interpellations that were made here—

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

UNITED CHURCH OF CANADA

On the order:

The House in committee on Bill No. 47, to incorporate the United Church of Canada.—Mr. Forke.

Mr. FORKE: Stand.

LIFE UNDERWRITERS' ASSOCIATION OF CANADA

The House in committee on Bill No. 60, to incorporate the Life Underwriters' Association of Canada.—Mr. McKay.

On section 1—Incorporation.

Mr. GRAHAM: What is the purpose of this bill?

Mr. McGIVERIN: The bill, which seeks to incorporate the Underwriters' Association of Canada, came before the Private Bills committee at their last meeting. The incorporators, as explained by the promoters of the bill, are prominent insurance men all over Canada who are also connected with various provincial associations. The only change made was in sub-section 2, sub-section "E" where it was proposed to authorize the exclusive use of the title "Chartered Life Underwriters of Canada". The committee and the promoters agreed to the elimination of the word "exclusive". That was the only question that was raised, the other provisions being considered satisfactory.

Mr. MARTELL: Then we are to consider the committee were in favor of the bill?

Mr. McGIVERIN: The bill received the support of the committee.

Mr. GRAHAM: I suppose the real object of the bill is to incorporate an association or company in which the insurance companies will have membership.

The CHAIRMAN: That is the idea.

Mr. CHURCH: In view of the large powers that are being given to the fire underwriters to fix rates and to exercise certain functions regarding property and civil rights in the provinces parliament should be sure that it is acting legally and is not going outside the limits of the Canadian Insurance Act. I should like to learn from the chairman of the committee if the inspector of insurance has approved of the principle of this bill?

Mr. McGIVERIN: The inspector of insurance was present at the meeting and approved of the provisions of the bill. The only question raised was as to the exclusive right to use the name.

Mr. CHURCH: I see that the underwriters have the power to issue negotiable notes and papers and to prescribe rates. Will the government have any control over them with respect to these matters?

Mr. McGIVERIN: I am not aware that any sections of the bill contravene the provisions of the general Insurance Act.

Mr. MARTELL: If the chairman of the committee has approved the principle of the bill I think we should accept the measure. The question as to whether or not the provisions of the bill encroach upon provincial rights is a matter for the law courts, not for this parliament. The chairman of the committee having recommended this bill to the favourable consideration of the House, we should accept the recommendation, because the hon. member is very careful in all these matters.

Section agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 146, for the relief of Angus Martin.—Mr. Sheard.

Bill No 147, for the relief of Lester Ernest Greenwood.—Mr. Ryckman.

Bill No. 148, for the relief of Charles Lawson.—Mr. Arthurs.

Bill No. 149, for the relief of Margaret Hickey.—Mr. Anderson.

Bill No. 150, for the relief of William John Chenery.—Mr. Martell.

Bill No. 151, for the relief of Florence Roberts.—Mr. Hocken.

Bill No. 152, for the relief of Hugh Allan Macdonald.—Mr. Hocken.

Bill No. 153, for the relief of Whilhelmine Christina Slater.—Mr. Hocken.

Bill No. 154, for the relief of Emma Doris Perley.—Mr. Martell.

Bill No. 155, for the relief of Arthur Hill. —Mr. Jacobs.

Bill No. 156, for the relief of Louis White. —Mr. Lovett.

Bill No. 157, for the relief of Emily Elizabeth Reeder.—Mr. Clifford.

Bill No. 160, for the relief of Merlin Englehart Clubine.—Mr. Martell.

Bill No. 161, for the relief of Victoria Stella Haswell.—Mr. Gordon.

Bill No. 162, for the relief of Thyrza Ewart (otherwise known as Thyrza Hodgins).—Mr. Harris.

Bill No. 163, for the relief of Rebecca Messer.—Mr. Arthurs.

Bill No. 164, for the relief of James Henry Kirkwood.—Mr. Anderson.

Bill No. 165, for the relief of Dorothy Marie Robinson.—Mr. Harris.

Bill No. 166, for the relief of Raymond Anderson Mashinter.—Mr. McQuarrie.

Bill No. 168, for the relief of James Koniaris. —Mr. Wallace.

SECOND READINGS

Bill No. 177, respecting certain patents owned by The Canadian Summer Iron Works, Limited.—Mr. Stevens.

Bill No. 178, for the relief of Katherine Gossage.—Mr. Ross (Kingston).

Bill No. 179, for the relief of Alice Moore. —Mr. Martell.

Bill No. 180, for the relief of Alexander Cruikshanks.—Mr. Church.

Bill No. 181, for the relief of Francis Albert Armstrong.—Mr. Martell.

Bill No. 182, for the relief of Eythe Kathleen Victoria Canniff.—Mr. Hocken.

Bill No. 183, for the relief of Helen Tuer. —Mr. Jacobs.

Bill No. 184, for the relief of Gordon Allingham.—Mr. Chew.

Bill No. 185, for the relief of Hilda Maud Ward.—Mr. Hocken.

Bill No. 186, for the relief of Rosie Race.— Mr. Harris.

SALARIES OF POSTAL EMPLOYEES

The House resumed consideration of the motion of Mr. Church to adjourn for the purpose of discussing a matter of urgent public importance.

Sir HENRY DRAYTON: At six o'clock I was referring to the manner in which this government had used the Civil Service Commission in connection with the question under consideration. I had recollected nothing which gave the House the truth as to how the Civil Service Commission was seized of this dispute, and I invited my hon. friend the Minister of Railways (Mr. Graham) to furnish me with the references, if there were any. I do not propose to go through them all. My right hon. leader (Mr. Meighen) dealt with the last reference by the right hon. Prime Minister; I will give another just for the purpose of making absolutely clear what has happened in this case—that this House, yes, and the members of the Civil Service have been allowed to go on in the belief that the reference to the Civil Service Commission was for the purpose of increasing salaries, while as a matter of fact the reference was made necessary by the reduction of the bonus effected by the government. I turn to Hansard at page 3158 dealing with this question, and there I find the following statement by the Prime Minister on June 13 last:

> The government, in order to ensure the fairest possible consideration for civil servants in that connection, required that the Civil Service Commission should prepare its report in conjunction with the deputy ministers, and also in conjunction with the Audit Board.
>
> The government has taken particular care to see that the commission should carry out its wishes in that regard, and has on two or three different occasions referred back the report submitted by the commission to the government, before its final acceptance. I may mention that on the first or second occasion on which the Civil Service Commission submitted its report the report was signed by two of the commissioners. The postal employees requested that if possible the government obtain the signature of all three commissioners before accepting any report from them. The government insisted on that additional step, and the position of matters now is that the report has been made. The government had either to approve it or disapprove it. To disapprove it was to leave the salaries where they were; to approve it was to give effect to such increases as had been made by the Civil Service Commission.

Let us get behind the smoke screen and see what the real truth is. The salaries now paid, including the bonus, amount to $13,134,000. Then the government's proposal came along for reducing the bonus, resulting in the entire bill for salaries and bonus being cut down to $12,664,000. It was as a result of this proposed cut in the bonus that the question was referred to the Civil Service Commission, and the commission in its report fixes the whole amount at $12,956,000. Now, what is the government's quarrel with the commission? If the government be—by accident—consistent for a short period of time, its quarrel must be, not that the commission has cut too much, but that it has not cut enough off the

bonus. The government's cut was $470,000; the cut made by the Civil Service Commission is $178,000.

Now, the point made by my right hon. leader absolutely stands,—that this government has in every possible way invited trouble and taken the position all along, so far as the public and this House are concerned, that the commission was the only obstacle which prevented the government being just—yes, being liberal with the postal service. That was their attitude, an attitude of finding fault with the commission instead of helping it. It is quite true that to-day the hon. Minister of the Interior (Mr. Stewart) states boldly and definitely that the government stand behind the commission's report. Well, it is a great pity that the government did not try to do something to strengthen the hands of the commission if they were going to stand by its report; before they did everything they could to ruin its reputation and to make it easy for anything to be said against the report. I suppose it is still open to the government to make an eleventh hour repentance, but they have worked hardship in the meantime. Even the Globe to-day points out exactly what has been pointed out before, that if any real injustice is being done there is no trouble about remedying it, that it is idle to hide ourselves behind the skirts of the commission, that the real responsibility is on parliament. The Globe also points out some cases of apparent hardship. I do not know whether it would be a hardship or not on the government, but I do know that it was the direct duty of the government to go carefully into the whole matter and to see to it that justice was done.

Mr. STEWART (Argenteuil): My hon. friend will not suggest that the government should interfere with the work of the Civil Service Commission after the instructions they had given it?

Sir HENRY DRAYTON: My hon. friend knows perfectly well that the government are not by the act turned into a mere rubber stamp. They have a right of approval or disapproval, and before giving their approval the government should have seen to it that full justice was done.

Mr. CAHILL: How?

Sir HENRY DRAYTON: By simply withholding their assent. If that had been done the former higher basis of salary would still continue. There is no difficulty about it, not the slightest. I maintain, Mr. Speaker, that the point made by my right hon. leader is absolutely proven, that in their twistings and turnings to appear on the one hand,—when there is this cry of economy,—to do something for the taxpayers, and on the other hand to let the postal employees understand that the government want them to get more money, and that but for the Civil Service Commission they would get more money,—that by pursuing this tortuous course the government have been trying to play both ends all the time—something which cannot be done successfully. To-day, at the eleventh hour, we see the government, for the first time perhaps, facing a position where they must make a decision.

With respect to the threatened strike, Mr. Speaker, I hope that the postal employees will listen to wise advice and not strike. There is nothing that this House cannot do for them. This House is not in the slightest degree bound by the Civil Service Commission, and we all know it. The Globe points that out, if my hon. friends do not believe us.

Mr. MARTELL: Does my hon. friend mean to say that when the Civil Service Commission make an appointment we have any power to interfere with it unless we get the vote of the Commons and the Senate?

Sir HENRY DRAYTON: My hon. friend is not going to get me beside the mark in a discussion of that character.

Mr. MARTELL: I have every respect for my hon. friend's opinion; I always get along very well with him in committee. But my hon. friend would like to give the impression to this country that this House—I do not mean parliament, because parliament is composed of the Commons and the Senate—that this House may appoint and dismiss civil servants. Now, this House has no power to appoint and dismiss civil servants without the concurrence of the Senate, therefore under the law as it stands at present the Civil Service Commission is all-powerful and paramount.

Sir HENRY DRAYTON: I am not discussing appointments or dismissals. I am discussing salaries.

Mr. MARTELL: The same thing applies to salaries.

Sir HENRY DRAYTON: So far as salaries are concerned it is clearly a matter of annual vote, and that is something this House can look after.

Mr. MARTELL: My hon. friend is a very able man; he has occupied important positions in this country. Will he say that this

House, or parliament as composed of the two Houses, can increase or reduce the salaries of civil servants without the concurrence of the Upper House?

Sir HENRY DRAYTON: My hon. friend knows how much work the Upper House does in connection with the estimates.

Mr. MARTELL: But if the estimates do not suit them they will soon throw them out.

Sir HENRY DRAYTON: Well, we have not yet seen that done. Perhaps the Senate ought to do it, but they do not do it, and I would not suggest that they should.

Mr. BUREAU: A bad doctrine.

Sir HENRY DRAYTON: I think that would be a bad doctrine; the Minister of Customs was right that time. His batting average now goes up a hundred per cent. But, Mr. Speaker, as I was saying, certainly this parliament is above the Civil Service Commission.

There is no secret as to where we stand on the question of strikes. We believe in being consistent—we have had to deal with them before. We believe in consistency; we believe in firmness, and we believe in fairness. Strikes anywhere are poor things, but so long as the private employer of labour, working for gain, has the right to employ the lock-out no fairminded man will deny the right of strike. There is a difference between the position of the man who is working for his country, working for an employer who is making nothing out of it, and that of the man in private employment. The servant of the state is really in the position when he strikes of dealing a blow, and sometimes a nasty blow, at his country. The position we took was that government employees ought not to strike. Why, no government can exist that is going to be regularly and systematically unfair to its employees; it cannot be done. There is enough of a sense of fairness in the people to make sure of that. But after all, when you ask the government employees not to strike you are only asking them to trust the people, and the position we took was that if a man struck we were no longer in a position to do anything for him. He lost his job; he had committed an offence against the country. I sincerely hope that there will be no strike, but I am quite sure that if there be no strike and if there be any injustice existing to-day, that injustice can be remedied.

9 p.m.

Mr. HUGHES: And will be.

[Mr. Martell.]

Sir HENRY DRAYTON: And will be remedied by this House.

An hon. MEMBER: Then what is the use of talking about it?

Sir HENRY DRAYTON: I did not quite get that remark, Mr. Speaker. It is a good thing we have had this discussion. It will be an extra good thing if as a result of this incident the government will for the future take a direct stand so the people will know where they are. This trouble could very largely have been avoided. Just think of the absurdity of the position: so far as the postal employees are concerned the commission has been painted to them by the government, until the last moment, as a vehicle of oppression; as being the reason for cuts in salaries; as justifying—

Mr. STEWART (Argenteuil): I do not think that is fair to the government. I am prepared to say that nothing of the kind ever happened. My hon. friend has had a pipe dream so far as his last statements are concerned. We can stand for a good deal, but we cannot stand for that sort of thing.

Sir HENRY DRAYTON: I wonder if I had better read Hansard again. My hon. friend will find it there in black and white just as it has been read—how the government was putting it up and up and up to the commission in order to do justice to these people.

Mr. STEWART (Argenteuil): If I may be allowed, I would like to say that that is direct evidence of the government's desire to be fair to all parties. My hon. friend is going a very long way in stating that the government had no desire to meet the requests of the employees and I want to say that the government will continue to try to meet those requests in a legitimate way. I defy my hon. friend to find one place where the government or a member of the government has criticised the Civil Service Commission, as he is trying to show.

Sir HENRY DRAYTON: Why, we have had it read this afternoon and read again to-night.

Mr. GRAHAM: Read into.

Sir HENRY DRAYTON: Read into? Not at all; there is the English language and it speaks for itself.

Mr. STEWART (Argenteuil): My hon. friend has stated that the employees were so informed by the government. There have

been only two or three members of the government meeting the employees, and I say that they never informed the employees anything of the kind.

Sir HENRY DRAYTON: I suppose the employees read the public press? I suppose they know what is going on in this House? I suppose they know—in fact I am sure they do know—the position taken by this government, the position taken by the Prime Minister only yesterday, when he talked about governments by commission and abandonment of proper representative government. What nonsense it is to say that these are not the facts. Let my hon. friend look at Hansard. My hon. friend says, where are the inconsistencies? Well, in their first spasm of economy the government took $470,000 off the wage list, and then when the Civil Service Commission takes $178,000 off they are shocked, or pretend to be, and send the report back, and back again—yes, back again. I wonder if my hon. friend thinks that is consistency. Of course this government, when there is any row, like any weak institution, wants to do something—

Mr. STEWART (Argenteuil): It would not be logical to be fair, would it?

Sir HENRY DRAYTON: It knew where it was when it started out to make a cut of $470,000. It knew where it was then—that was before there was any row.

Mr. GRAHAM: Did my hon. friend or his friends not make a reduction in the bonus in 1920-21?

Sir HENRY DRAYTON: Yes, and stood by it—did not hide ourselves behind any Civil Service Commission. We believe in standing by what we say.

Mr. MARTELL: The Civil Service Commission were your friends.

Sir HENRY DRAYTON: Yes, but we did not use them to hide behind. We did not use them as a smoke screen or anything else of that kind. We took our responsibilities.

Mr. GRAHAM: We did not use them to cut the bonus.

Sir HENRY DRAYTON: Oh, no, my hon. friends did not use them to cut the bonus. How did they use them? They made the cut of $470,000, and then sent it back to the Civil Service Commission so that that cut could be made good.

Mr. BUREAU: It is not a question of bonus, it is a question of salary.

Sir HENRY DRAYTON: That is how it was done. So we find that so far as the government is concerned—

Mr. GRAHAM: Poor government.

Sir HENRY DRAYTON: —the Civil Service Commission has just made a cut of a little more than one-third of what the government proposed. That is all. I really hope that the government will take some stand and stick to it, and will see that if there be any injustice at all that the right thing will be done.

Mr. JOSEPH T. SHAW (West Calgary): I want to make a very few observations in connection with this matter. I think the issue that is now involved dates back considerably beyond this session. I recall that last year a special committee of this parliament was organized for the purpose of inquiring into the operation of the Civil Service Act, and perhaps I may be permitted to refer to a couple of the recommendations made in what seemed to me to be a very commendable report. I may say that with the exception, I think, of the hon. member for Hants (Mr. Martell) the committee were unanimous in the recommendations they made to parliament.

Mr. MARTELL: The hon. member for Hants is proud of what he did.

Mr. SHAW: The hon. gentleman apparently takes pride in the fact that he dissented from that report.

Mr. MARTELL: Exactly.

Mr. SHAW: Anybody who reads the report might suggest that perhaps it would reflect upon the pride of the hon. gentleman. Now, may I be permitted to read from the sessional papers the following:

> The evidence submitted to your committee by representatives of the various civil service organizations brought out the fact that considerable dissatisfaction existed among the civil servants with decisions on classification, promotion, salary adjustment, and other matters generally affecting the service. One of the principal causes for this dissatisfaction seems to be due to the lack of the existence of a permanent board to which the civil servant can appeal.

The report goes on to state that much valuable evidence was heard in connection with the proposal to adopt the Whitley council plan in the Civil Service. The recommendation made was this:

> Your committee therefore recommends that the Civil Service Commissioners be given power to establish without delay departmental personnel boards to be made up of an equal representation of the Civil Service Commission, the department and departmental employees. These boards are to act in an advisory capacity in matters of classification, promotion, dismissal, salary revision, leave of absence and other kindred problems affecting the welfare and efficiency of the departmental service

Again the report goes on:

The evidence submitted to your committee discloses the urgent need of a general readjustment of salary. Your committee therefore recommends that immediately after reorganization and reclassification has taken place, salary revision and adjustment be proceeded with without delay. Pending this revision the bonus is to be continued—

The bonus, of course, being the bonus of the 1923-24 standard.

Your committee feels that the creation of personnel boards, hereinbefore recommended, would furnish excellent means for the solution of some of the difficulties now experienced by civil servants in regard to the classification and other problems incidental to their work.

The government for some reason with which I am not familiar, has never seen fit to incorporate any of the many valuable recommendations of the practically unanimous committee into legislation. I think that if we had had last year the necessary legislation to carry into effect some at least of these recommendations, the matter of the salary revision should have properly received attention, and a board could have been appointed on which the civil servants themselves would have been represented and before which they could appear on a basis of equality with the department and the Civil Service Commission.

It may be interesting for hon. members to know that according to a return (No. 174) brought down on 15th May, last year, of some 19,467 permanent employees in the service 11,661 received salaries of $960 or less per year, while 7,806 received salaries of $800 and less. I want to compare those salaries with the figures given in connection with the standard of living of various official organizations. Perhaps it may not be uninteresting to refer to some investigations made by certain American organizations. The United States Bureau of Statistics in the Labour Review for July of 1919, established a figure of $1,850 per annum for a family of five. The Philadelphia Bureau of Municipal Research, in Bulletin No. 567, of April 5, 1923, found that the cost of the working man's standard of living as of March, 1923, was the sum of $1,854.28. The National Industrial Conference Board, of Detroit, Michigan, in September, 1921, fixed these figures:

For a family of four..	$1,527 08
For a family of five..	1,697 95
For a family of six..	1,868 82

Mr. HUGHES: Are there any figures for a young man or a young woman?

Mr. SHAW: No, these figures are for the average family of four, five and six respectively.

[Mr. Shaw.]

Mr. HUGHES: Are there any figures for single people?

Mr. SHAW: No. The Visiting Housekeeper Association of Detroit, Michigan, found on March 1, 1924, that in the case of a family of five the figure should stand at $2,060.64; and John A. Ryan, author of "A Living Wage," figured on June 1, 1919, that the amount should be $1,605. The average of the Railway Arbitration Boards in Canada approximates $1,900 for a family of five.

Mr. BUREAU: For what year?

Mr. SHAW: The figures apply to a number of years. It is the average, I say, of the finding of the Railway Arbitration Boards in Canada.

Mr. BUREAU: Including the peak prices of the war time?

Mr. SHAW: No. On page 431 of the Labour Gazette of Canada, I think for the current year, $20.58 is stated to be the weekly budget for a family of five, and covers the necessary minimum cost of food, fuel, light and rent. This amounts to $1,070.16 per year. On the same page it states that for the average family of five the expenditure on these items of food, fuel, light and rent would be perhaps two-thirds or about 65 per cent of the total income. Adding this additional amount the figure, according to the Labour department, amounts to $1,605.24. Then, before the special Civil Service committee of last year evidence was produced by the civil servants themselves which indicates that for December 1922 the figure stood at $1,752.84. Now, here is a mass of figures, not only from this country but also from the United States, which indicates that the amount necessary to maintain a proper standard of living for a family of five is certainly greatly in excess of the figures which I have just quoted as the average salaries received by the civil service employees in Canada.

With regard to the particular matter which is the subject of the present controversy the hon. member for West York (Sir Henry Drayton) has pointed out that under the Post Office Department's proposal for an increase of salary for this year the total would be $13,487,020. Under the Civil Service Commission's proposal, which was the subject of criticism, the amount would be $12,956,000. The employees' proposals as presented to the commission represent a total of $15,055,000. If to the present salaries, which amount to $11,164,000, is added the bonus of 1923-24 —that is the bonus existing before the last cut—the total would be $13,134,000, or a sum less than $200,000 in excess of the pro-

posals made by the Civil Service Commission. In other words, the proposal made by the Civil Service Commission represents a reduction of less than $200,000 in the salaries now received by the potal employees counting the bonus of 1923-24. That means simply that where only a matter of $200,000 is involved there is a possibility of a strike taking place which may disorganize the entire business interests of the country. I do not think it is belittling to the dignity of parliament or to the dignity of the cabinet or the government to simply continue in existence the salaries amounting to $11,000,000, as I have mentioned, and the 1923-24 bonus, until such time as the salary revision is completed, and I feel confident that a temporary arrangement on that basis could probably be made with the concurrence of the postal employees. They would simply have to wait until the Civil Service Commission has had an opportunity of revising the salaries of all employees in the service, and they would then be entitled to get such additional amount as that award would give them, or suffer any decrease that might then be fixed. It seems to me that, for that small amount involved, it is absurd for this parliament to allow the possibility of disorganizing the whole of the business interests of the country. I think it is very foolish and very unwise indeed. In view of the fact that the salaries now received by the postal employees, and the salaries proposed by the Civil Service Commission and by the employees themselves, are far less than the standard of living as indicated by the figures I have given, it seems to me it is only fair that the government, as a model employer, should seek some avenue and some means of escape from the unfortunate condition which now exists, and I suggest to the government that it is not yet too late to make this proposal to the postal employees, in order that the threatened strike may be averted.

Mr. BUREAU: My hon. friend has cited figures, in those figures he puts a certain number of employees at a salary of $800, and the figures he cited as to the cost of living apply to married people who are keeping house. I would like to know how many single men and women are employed and are included in the number who receive $800 a year? Has the hon. gentleman the information?

Mr. SHAW: I regret to say that the information is not available. In no figures presented to the House have I been able to secure that information, but taking the figures which I have mentioned and adding thereto the average bonus in every case it would bring a sum much less than the average standard of living indicated by the figures not only in this country but also in the United States.

Mr. BUREAU: Do I understand that the $800 includes the bonus also?

Mr. SHAW: No. To the figures given must be added the average bonus, which would not exceed in any case more than $250 per annum.

Mr. McQUARRIE: I have been requested to put a question to the government. Is the government prepared to submit the question of postal salaries to an arbitration board, consisting of one government appointee, one departmental appointee and a member to be appointed by the employees.

Mr. STEWART (Argenteuil): The government is not prepared to give any answer to any question of a character such as my hon. friend proposes, until we have a further discussion with the representatives of the postal employees. I expect to have that tomorrow.

Mr. CHURCH: Since the House took recess—

Mr. SPEAKER: If the hon. member for North Toronto speaks now it will close the debate.

Hon. T. A. CRERAR (Marquette): I desire to speak very briefly to the question which has engaged our attention this afternoon. I think the government might have shown a little more strength and a little more decision in dealing with this question than they have done. It is quite clear that there is a distinct limitation in the fixation of salaries for the postal employees, or indeed for any other government employees, at the present time. That has been fully explained this afternoon in the fact that the Civil Service Commission has the authority under the law to consider this question and to lay down a schedule of salaries that shall govern. That is the law of the land, and that for the time being, at any rate, must govern. No one contemplates the possibility of a postal strike throughout this Dominion without very grave apprehension. I know of nothing, unless, as was stated this afternoon, it would be a strike on the part of the railway employees, tying up transportation, that would more disorganize business and cause more inconvenience than a strike of the postal workers, and I would suggest to the postal workers this thought:

That in any action they may take in this very, very grave question which they have before them for decision they should carefully weigh the effect their action is going to have on public opinion throughout this whole Dominion. I may offer my opinion as an individual that if a strike takes place under the present circumstances public opinion throughout Canada from the Atlantic to the Pacific, will not support the postal workers in that action.

The law is on the statute book, and for the time being that law must stand. If I may offer a suggestion to the postal workers, it would be that they first ask that the law be changed. This they have not seen fit to do. Apparently, after receiving the report of the commission, and after receiving the schedule of salaries which the commission has laid down, the postal workers have reached the decision without any further discussion that they are going to tie up this country in a strike. I think that is a very grave action for them to take. I am satisfied of this, Mr. Speaker—and I think I am within the judgment of the House when I make the statement—that every member of this House desires to do full justice to not only the postal employees of the Dominion but to every other civil servant in this country, both in regard to the question of salaries and the question of working conditions. A good deal has been said in the discussion this afternoon by my hon. friend from Centre Winnipeg (Mr. Woodsworth) and his colleague from East Calgary (Mr. Irvine), and a reference was made to it by the hon. member for West Calgary (Mr. Shaw), who has just spoken, as to the necessity of a decent wage or a living wage. I think my hon. friend from Centre Winnipeg used the term "a decent standard of living." What is a decent standard of living? What is there that determines a decent standard of living? My hon. friend from West Calgary—and I have some regard for his ability and judgment—has quoted here to-night, American, Canadian and other authorities, as to what constitutes a standard of living, what constitutes a satisfactory wage. That depends altogether on the standard of living. If the parliament of Canada is to adopt a principle of fixing a wage in consonance with a certain standard of living, what is that standard of living to be? Are you going to measure it by the living conditions of the farmer out on the prairie or the farmer in the Maritime provinces or the fisherman down by the sea? I want to say in all seriousness to this House that there are in western Canada to-day tens of thousands of farmers who work hard the whole year round and who do not have but a fraction of what is said here to-night to be a living wage.

[Mr. Crerar.]

Mr. HUGHES: And the same in eastern Canada.

Mr. CRERAR: Yes. That question will have to be dealt with ultimately by this parliament if it is to be settled in respect of one class of people who labour in the Dominion. After all, what is the difference that exists to-day between the postal workers and the government in this issue? Reference has been made already to the difference between the total existing salaries and the total salaries that are asked for. Let me refer to this again for a moment. Under the salaries existing at the present time or that have existed during the past year with the bonus that has obtained in the past year, the total amount drawn by the postal employees of Canada was $13,134,000. Under this schedule as laid down by the Civil Service Commission, they propose to reduce this to $12,956,000, or a difference for all the postal employees of Canada from the Atlantic to the Pacific of $178,000. That is a very little over a decrease of one per cent. One per cent would be $131,000, and the total difference is $178,000, or roughly, about 1½ per cent. The argument is advanced by the postal employees that the salaries that they were receiving with the bonus prior to this year were not sufficient, but the fact is that those salaries obtained prior to the present time. Has there been any reduction in the cost of living in this country in the last three years, or, indeed, in the past year? If we study the statistics, the index figure of the Department of Labour or of the Bureau of Statistics, you will find that the line is coming steadily downwards in the cost of living. Only this morning I noticed in one of the morning papers published in this city a comparison of wholesale prices for May of the present year with May of 1920, when we had the peak of prices in this country as well as throughout the rest of the world. In May of 1920, the index figure was 256 in the range of wholesale prices in Canada. To-day, by the same authority, the index for that range of wholesale prices is down to a little over 150. There has been, as every one knows, though perhaps not nearly so rapidly as we all should like, a steady decease in the cost of living in this country.

Mr. SHAW: Is my hon. friend aware of the fact that the index figure at the time the bonus was first granted was 161, using as a

basis the average prices in 1913, whereas, in December, 1923, the index figure, on the same basis, was 151?

Mr. CRERAR: I have given the figures showing the change that has taken place in wholesale prices of commodities; but even taking my hon. friend's figures—I will not dispute them, I have not the figures before me—they show a decrease from 161 to 151, or a decrease of ten points at any rate between prices that existed eight or nine years ago and present prices. If someone is of a sufficiently mathematical turn of mind to figure that out, that will probably amount to the difference that exists between the total salaries the postal workers received last year and the schedule proposed by the Civil Service Commission.

I wish to support a suggestion that was made first this afternoon by the hon. member for North Waterloo (Mr. Euler). The Civil Service Commission are at present engaged in a revision of those salaries. At the request of the government, they tackled first the salaries of the postal employees and to-day they are engaged in an inquiry into salaries prevailing in other departments. I think there is some force to the point urged by the hon. member for North Waterloo that there should have been no disturbance of salaries and bonus until the whole classification of salaries had been made so that the whole thing might be done at once.

No one deprecates more than I the difficulties and disastrous consequences that may flow from a strike of the postal workers in this country. I am not going to discuss at the present moment the question whether postal workers or government employees of any kind have a right to strike under any conditions. I have my views on that question, and possibly at a future time in this House I may have an opportunity of expressing them. That question, however, is not germane to the discussion at the present moment. It is of the greatest importance that a strike at the present time should be averted if that possibly can be done. I appreciate the fact that the postal workers, in the position they have taken, have gone so far that it may be difficult for them to recede, and under those circumstances, there is no loss of dignity to the government or to the parliament of Canada if the position is frankly taken: Well, we do not admit your contention; but we think that this salary schedule should not have been put into effect until the whole matter of salary revision had been considered by the Civil Service Commission in its relation to all departments; consequently we put you back upon that basis until we have the full report from the Civil Service Commission, and then we shall decide.

Mr. BUREAU: Will they accept that?

Mr. CRERAR: If they do not accept that, then their case is so much worse before the country. But once that is done, once the Civil Service Commission, as the authority constituted under the law to do that work, have investigated these questions of salaries, have heard the evidence, as I understand they have heard it from representatives of postal workers on one, if not two occasions, after they have made a complete revision and brought that down to the government, the plain duty of the government is to put that into effect, stand behind it and say: We are going to stand behind it.

Mr. MEIGHEN: Inasmuch as we know the precise effect of this schedule on the service, taking the total amount this year as compared with last, is there the slightest difficulty in telling now what the effect of a similar schedule will be on the total for the whole service?

Mr. CRERAR: I think the result over the whole service will probably be a slight reduction.

Mr. MEIGHEN: In proportion to the amount for this department?

Mr. CRERAR: In proportion to the amount for this department, that would depend, however, on whether the relation between the salaries in the various departments was on an equality. I cannot speak of that.

Mr. MEIGHEN: Parliament passed the schedule on the recommendation of the commission, and we have a right to assume that.

Mr. CRERAR: Yes, but the salaries, for instance, in some departments, as they stand to-day, have not been fixed or determined by the Civil Service Commission.

Mr. MEIGHEN: I understand so.

Mr. BUREAU: In the Customs department, they have.

Mr. CRERAR: In any case I do not know that my right hon. friend's argument is conclusive. The government have decided upon the policy that the commission shall review these salaries, and I presume that the purpose of that is to get them on an even keel throughout all the departments, or at any rate to ensure that they shall bear an equit-

able relationship to one another. If I am correct in that, then I think the government are justified in taking the position I have indicated and in saying to the postal workers: "We restore your pensions for the time being and are going to put you back this year in the position you were in in 1923-24; but we do that only until the commission has brought down its full report in respect of the salaries in all departments. Once that report is before the government and the government are satisfied that it is fair, we will stand behind it and ask parliament to do the same". In my judgment, if the government take that course frankly and honestly a strike will be averted and the question will be settled finally, with support, I hope unanimously, but at any rate in a large measure from the House. That course in my opinion would obviate this threatened strike and it would enable the postal workers to recede from a position which it would otherwise be somewhat difficult for them to abandon. The total additional cost to the country would be infinitesimal in comparison with the very heavy losses that are bound to ensue if this threatened tie-up in the mail transportation and distribution services takes place.

Mr. BUREAU: My hon. friend counsels the government to restore the bonus. Would he restore the bonus on the basis of the salaries recommended by the Civil Service Commission or on the basis of the salaries which the employees were receiving before their case was submitted to the commission, and in respect of which the difficulty arose?

Mr. CRERAR: I thought I had made that perfectly clear. I would not superimpose the bonus on the schedule recommended by the commission; I would restore conditions as they were in 1923-24. I would allow the recommendations of the commission, the schedule which has been submitted, to stand for the time being until the schedules in respect of the various other departments were brought down. Once they were brought down I would then put the whole thing into effect.

Mr. FORKE: Was it not on the representation of the postal employees themselves that they were put on a permanent basis? I believe the statement has been made that the department had already been classified.

Mr. STEWART (Argenteuil): They were in the classification.

Mr. FORKE: I thought they had made representations asking to have the bonus done away with and to put them on a permanent basis.

[Mr. Crerar.]

Mr. STEWART (Argenteuil): Oh yes, that is true.

Mr. T. L. CHURCH (North Toronto): I trust that as a result of the discussion which we have had to-day the parties will get together and this matter will be settled satisfactorily. Parliament is supreme in this country, and neither parliament nor the government should seek to evade herein the responsibility which properly belongs to it. The Prime Minister (Mr. Mackenzie King) this afternoon rather intimated that the present situation did not constitute an emergency, and I understand that the Acting Postmaster General (Mr. Stewart, Argenteuil) is of the same opinion. I do not by any means agree with these hon. gentlemen; I say most decidedly that there is an emergency. The present situation is a very serious one and the responsibility rests not upon the Civil Service Commission but upon the government to see that proper steps are taken, and taken without any delay, to have matters satisfactorily adjusted and a strike avoided. We are supposed to have representative government in this country, and as I have said, parliament is supreme in all these matters and can revise the decision of the Civil Service Commission or any other commission. There is therefore no reason whatever why the government should seek to shirk its legitimate responsibility. We have not made much progress in disposing of this vexed question in the past six months; it has been bandied about between one department or commission and another and has been passed on from deputy ministers and heads of government to the Civil Service Commission and to a new body known as the Board of Audit with no apparent results. No satisfactory settlement has been arrived at; the recent revision of the Civil Service Commission as presented to the men of the post office proves more unsatisfactory than ever. The scale of wages which has been proposed is utterly unsatisfactory and most unfair to the older employees, the sorters and letter carriers, and all those men who have grown old in the service.

It is all very well to say that if these men strike on service their places can be filled again. That is absolutely untrue; you cannot fill at a moment's notice the position which is held by any one of these older employees. Take for example such an emergency as occurs at Christmas; does any hon. gentleman contend for a moment that a merely temporary employee who has had no experience whatever could take the place of an old sorter or any other postal employee

who has spent a number of years in the service? It simply cannot be done; no one can learn the post office business in a day, whether it be in the position of a sorter or a letter carrier or in any other capacity. Furthermore, very grave responsibilities attach to those who have to deliver registered mail; the responsibilities on the rank and file are greater and altogether the work of the postal employees, particularly of those men who have grown old in the service, is onerous and calls for the most satisfactory remuneration which the country can afford. The postal service has given every satisfaction, and moreover it is a public utility which is self-sustaining and gives service at cost including low labor costs.

In the city from which I come the revenue in this department amounts to $6,000,000 as against an expenditure of some $2,250,000. and a large profit is made from the Toronto post office. Now, the country is not bankrupt, nor is the Post Office Department in any impecunious state; so that there is no excuse for any evasion on the part of the government of its responsibility or for placing it on any commission. And if the government does seek to evade its responsibility in this matter I hope that the House at all events will do its duty. Let me read what the Deputy Minister of Justice, Mr. Newcombe, has said in regard to the question of regulating the rates of compensation to be paid employees. These are his words:

> The Governor in Council has, in my opinion, no authority to regulate rates of compensation independently. He may approve the rates submitted by the commission for approval, and the rates will thus become effective, but he has no authority to approve or sanction any rate in excess of that which is recommended by the commission. Such an increase can be sanctioned only by parliamentary authority.

The government shelters itself behind all this and seeks to evade its responsibilty. The commission is subservient to parliament. In view of the fact that at six o'clock to-night, it was announced, the voting of the employees on the question as to whether or not there should be a strike throughout Canada closed it seems to me that the government must realize the extreme gravity of the situation; there can be no doubt whatever as to the existence of an emergency in this case. To-morrow evening as I understand, unless the matter is satisfactorily settled, there is likely to be an interruption in the service. The president of the Board of Trade of the city of Toronto after carefully considering this revised schedule, gave it as his opinion that there was just foundation for the claims of the men. The department by the new schedule and after turning the bonus into straight salary shows a saving of some $179,000 all told, and there is no reason why the government should not meet the requests of the postal employees. Let me say in conclusion once again that upon the government and not upon the Civil Service Commission rests the responsibility of settling this problem; and if a strike occurs to-morrow night, paralyzing business that is already none too good and is suffering to a great extent, the blame will lie at the door of the government. Business conditions are bad enough as things are now and very little business in some retail lines has been done all spring on account of weather conditions and other unfavourable circumstances, so that the business of the country cannot afford to incur the loss that must result from a strike. The business men are demanding that this question be settled, and I am only fulfilling my duty as a representative of the Toronto district in bringing the matter to the attention of the House.

Motion withdrawn.

CANADIAN NATIONAL RAILWAYS—TRANSCONA SHOPS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Representations have been made by workers in the Transcona shops that the management of the Canadian National Railways is discriminating against members of certain labour organizations. Is it or is it not the policy of the government that the employees should be permitted to belong to whatever organization or form of organization they themselves decide to adopt?

Hon. GEORGE P. GRAHAM (Minister of Railways): The policy of the government in that respect, whatever it might be, would not affect the situation. The railway employees are under certain unions and the men govern themselves; they say who shall be promoted and all that sort of thing. So far as I am concerned, I may say that the government has heard nothing about this matter and knows nothing about it.

SUPPLY

INDIAN AFFAIRS

The House in committee of Supply, Mr. Gordon in the chair.

Indians—Nova Scotia, $52,340.

Mr. MEIGHEN: Are the Indians increasing?

Hon. CHARLES STEWART (Superintendent General of Indian Affairs): Slightly. There is a reduction in the total vote, we having made some readjustments.

Mr. MEIGHEN: I see the cost of Indian education is going down, while the cost of the more material things is going up.

Mr. STEWART (Argenteuil): That is accounted for by the fact that we are not spending as much for buildings this year. As my right hon. friend knows, last year we made some substantial increases in our building programme. There are some changes in connection with medical attendants.

Mr. MEIGHEN: How much was spent last year in Nova Scotia?

Mr. STEWART (Argenteuil): We spent $50,140. We spent all our vote last year throughout the whole department.

Mr. MEIGHEN: Is the Indian reserve trouble near Sydney settled yet?

Mr. STEWART (Argenteuil): A property was purchased some years ago and very serious objection was taken to its location. We had a property in another part of the town inspected, but there is too much land in connection with it, and we still have the matter under consideration. We have not moved the Indians.

Mr. MEIGHEN: Does the employment and pay of the doctors come under this vote or under Indian education?

Mr. STEWART (Argenteuil): Under this vote in Nova Scotia.

Mr. MEIGHEN: What is the new system for doctors?

Mr. STEWART (Argenteuil): There is no new system. We have increased our medical work in some instances in connection with tuberculosis. There is an increase in Nova Scotia of $2,200. Last year we spent $10,000 for medical attendance and medicines; this year we are asking for $12,000. We are putting on a nurse in Nova Scotia, who will travel around and assist the Indians wherever they need her. We have found nurses in western Canada very helpful to the Indians. I may say that in a general way the hospital fees are going up; that is in evidence everywhere.

Mr. MEIGHEN: Is the appointment of doctors by the Civil Service Commission quite satisfactory?

Mr. STEWART (Argenteuil): Yes, I have no objection.

[Mr. Meighen.]

Mr. MEIGHEN: The minister is not suffering the way the Minister of Trade and Commerce (Mr. Low) is, for example?

Mr. STEWART (Argenteuil): I did not know he was suffering.

Mr. MEIGHEN: I was not sure of it myself, but he made very loud complaints.

Item agreed to.

New Brunswick, $35,574.

Mr. MEIGHEN: This is a big increase.

Mr. CALDWELL: Does this vote include an appropriation for buildings on the Indian reserve?

Mr. STEWART (Argenteuil): There is a slight increase in salaries of $240, and an increase in relief of $6,000. We voted $18,000 last year; we are asking for $24,000 this year.

Mr. CALDWELL: Perhaps the minister did not hear my question?

Mr. STEWART (Argenteuil): The building appropriation does not appear here; it is in the vote for education.

Mr. DOUCET: What is the necessity for an increase in relief of 33 per cent?

Mr. STEWART (Argenteuil): In New Brunswick there are always a number of children of school age whom the parents are not able to support, and there are also a number of orphan children. Our reports show 95 children to whom the department must give assistance through their parents or guardians. In the past, in view of the fact that the department had no residential accommodation east of Ontario, the cost of maintenance of these children has been charged to the school fund. This practice has been discontinued. Hence we have an increase of $6,000 for the purpose mentioned.

Item agreed to.

Ontario and Quebec, $264,535.

Mr. McQUARRIE: The hon. member for Fort William and Rainy River (Mr. Manion), who is unavoidably out of the city to-day, asked me to mention the case of the Lake of the Woods Indians. I think a petition was forwarded to the minister signed by the chiefs and representatives of a number of tribes. Apparently there was some difficulty in connection with this petition. In the first place it was presented to the Indian agent at Kenora, who undertook to forward it to the department but who failed to do so. Later, I understand, Mr. James Robinson, of Kenora, who is very much interested in the

subject, forwarded the petition on to the minister, but no acknowledgement was received until Mr. Robinson had communicated with the Prime Minister, and then after a further delay of two or three months an acknowledgement was received. from the deputy minister, I think, stating that the matter would be looked into. The subject has been covered in a statement prepared by Mr. Robinson, which I think, has been forwarded to the department. The case is very concisely put in a foreword to that statement, and perhaps I may be permitted to read it. It says:

The Lake of the Woods Indians complain to the parliament of Canada of unfair treatment. They declare their treaty rights have been violated and gross injustice done them for the past forty years. They charge that most of their agents have shown little interest in their welfare and are high-handed and domineering in their actions and do not recognize the authority of their chiefs.

A petition to the government containing statement of their grievances and asking for an independent investigation of their complaints was sent down on August 21st last and no reply was received until November 29th, and then only after complaint to the Prime Minister that no notice or reply had been received to the petition. Their solicitor writes a series of letters to the press setting forth their complaints, which are re-produced herein with a short summary of the situation. No action has been taken by the head of the Indian department in reply to their petition, and this statement is issued in the hope that the parliament of Canada will listen to their complaint.

At time of making of the treaty in 1873 no one had any idea of the value of their territory. In area it was a small province within itself, 55,000 square miles of some of the finest territory in Canada, rich in timber, minerals, fur and fish and much of it of splendid agricultural possibilities and now dotted with thrifty towns, villages, hamlets and farming communities.

They surrendered this territory after negotiating a solemn treaty with the government of Canada (treaty No. 3) and in return were allowed certain reserves, many of them containing valuable timber which has been disposed of by their agents and the timber cut and removed. During past fifty years they have never had a statement of how much timber has been cut and removed or what dues have been collected or what amount of money is to their credit.

As to matter of schools, the Indian chiefs at the time of the making of the treaty made special requests in their talks with the commissioners asking that schools be established and that teachers be sent to instruct their young people with the knowledge of the whites. Within this agency there are 600 Indian children of school age without the advantage of education. The only schools within this agency are two, one at Kenora known as the Indian industrial school established by the Roman Catholic Church and another out at Shoal lake known as the Cecilia Jaffray School established by the Presbyterian Church. The area of their agency is equal to about 250 miles from east to west and 225 from north to south. The two schools mentioned are the only schools within their territory, neither of which was established under direction of the Indian department, but one of which, the Kenora School has recently been bought by the government but left in the care of the original owners.

Fifty years is surely long enough for the Indian department to have experimented on these people, yet after that length of time these Indians are in a worse condition than when the government took away their lands and made them "wards of the crown." When are they to become free men and made responsible citizens of Canada if education is denied them and they remain in a state of servitude?

Every honest self-respecting Canadian will blush and hang his head in shame when he reflects how these people have been treated by the government of Canada. Instead of being a happy and contented people they are gradually dying off and will ultimately become extinct. Is this the keeping of Canada's word of honour as expressed in the treaty referred to?

More than one of the provinces of Canada since entering confederation have asked for a re-consideration of their rights. Are not these people entitled to a review of their treaty rights and for further consideration at the hands of our government?

It is requested that an independent commission be appointed to consider

First the prayer of their petition and

Secondly to generally review and report on the best methods of making an honest effort to observe the treaty and bring their native citizens of Canada (indigenous to the country) to a state of civilization and advancement equal to their virility and self respect when in the primitive state as at the time of the treaty and give them some of the opportunities and advantages given to (in many cases) the questionable element of European immigrants brought into Canada, to enjoy the fulness and bounty thereof, at great expense and, in too many cases, to Canada's harm and hurt.

I also have in this pamphlet the petition referred to. It is dated at Whitefish reserve, Lake of the Woods, June 7, 1923, and addressed to the Superintendent General of Indian Affairs. The petition reads:

10 p.m.

The petition of the people of the Whitefish reserve respectfully sheweth:

1. Years ago our reserve contained a large number of people, but through sickness and death, our numbers have been reduced to 14 families, about 70 people.

2. We submit for your consideration, and ask for a change in some regulations affecting us.

3. We ask that allotments of land on the reserve of 80 acres for farming purposes, be made to each head of family—of those who wish it—and that the same be made inheritable to our own descendants, but not alienable to others.

4. We ask that a farm instructor be sent us to instruct us and teach us how to farm, who shall be permanently here as an overseer.

5. We ask also that horses, cattle, implements and seed grain be sent us with which to make a start.

6. The land on our reserve is arable—could nearly all be cultivated and there is no better soil in this province, admirably adapted for the growth of such grasses as red clover, alsike and alfalfa, which have been grown to perfection right here. And we submit that the venture could be made self-sustaining as well as profitable.

7. There are 27 children on the reserve—21 of whom are of school age, and, we submit, are entitled to the same advantages of education as the children on other reserves and those of the white population, but we are 50 miles from the Indian industrial school at Kenora. We ask that a school be established with a duly qualified school teacher.

8. We suggest that a competent teacher (and his wife) be sent. One who has some knowledge of medicine could be of much use, as Dr. Ferguson is 50 miles from us, and is usually too busy to come here. Very seldom comes.

9. We submit there has been gross mis-management in regard to the timber on our reserves, and that no statement has ever been made, showing how much or what quantity of timber has been taken from the reserves—although we have repeatedly asked for statements from your various agents.

10. We further say that during the past 40 years, the Rat Portage Lumber Co., has cut and removed the timber on 400 acres, being a portion of the 2,647 acres, being that portion of Indian reserve 32, 33 and 34A, surveyed by A. H. Vaughan, D.L.S. in 1879, lying south of Lobstick Bay, and north of the Whitefish rapids and lake.

11. We charge that 12 years ago, the Rat Portage Lumber Co., cut and removed the timber on Indian reserve 35H, on Sabaskong bay and that the same has never been accounted for, or any payment made therefor.

12. We charge that the Rat Portage Lumber Co. some 10 or 12 years ago cut and removed the timber on reserve 32C belonging to us, having camps on Turtle portage, from which there has never been any accounting or payment.

13. That we have made repeated requests of the agents you have appointed for statements and for accountings for the said timber so taken from our reserves, but have never on any occasion, received any statement or accounting, except hereinafter mentioned.

14. During the year 1921 and 1922, two payments were made us, amounting to $2,688 being $42 for each of the 64 persons then residing on our reserve. But apart from that, we have never received any statement or accounting whatever, during the past 40 years.

15. We charge that your former agent, Mr. R. S. McKenzie, neglected and refused to give any statement as to the quantity of timber cut and removed by the Keewatin Lumber Co. on our Reserve 32B, on Black river, although requested by our Chief, Bob Roy many times, and that we have never received one dollar therefor.

16. The agreement made by your said agent McKenzie, with the people of our reserve, when he was selling our timber to the said Keewatin Lumber Co., was that we were to receive 30 per cent of the total price each year payable at the time of treaty payment until fully paid. Instead of that we received only 15 per cent in 1921 and 15 per cent in 1922.

17. The said Keewatin Lumber Co. through your agent McKenzie, leased one acre of land on our reserve, just south of Whitefish rapids for the purpose of a store house, and built thereon their store house and have occupied it, but have paid no rent therefor as far as we have knowledge.

18. The said Keewatin Lumber Co. also leased as we were informed some land at the mouth of Black river, for the purpose of a garden, but no rent has been forthcoming for that.

19. Your said agent McKenzie, 3 years ago, promised one of our people, Pekowbetung, lumber for the flooring and roofing of his house and instructed him to proceed and put up the frame, but so far no lumber has come, and the said Pekowbetung, with his family of eight persons, had had to exist as best they could in a small shack.

We respectfully ask for investigation into these matters, that we consider our grievances.

(Sgd.) Chief ROBT. J. ROY
(Sgd.) Counsellor John Bird,
Counsellor Sha-bah-tise.
Counsellor Peter White
and twelve members of
the Band.

It is pointed out in this pamphlet that in the United States the Indians have been very much better treated than have the Indians in this country, at any rate, in the part of Canada referred to, and that as a consequence the former are now in a very flourishing condition; they are becoming educated and taking their places as citizens of the republic. It is also pointed out that in the provinces of Alberta and Saskatchewan the Indians have been looked after and are now producing very large quantities of grain. I want to say that in repeating the foreword of this pamphlet and the petition of the Indians it must not be understood that I am making any charge. I notice in the pamphlet there is a reply from the Indian agent at Kenora to certain statements published in the Kenora press which explains various matters from the standpoint of the present agent. I am simply asking, on behalf of the hon. member for Fort William and Rainy River (Mr. Manion), that the case of these Indians be looked into, and that an independent commissioner be appointed to investigate the whole question.

I may say there seems to have been a good deal of controversy on these matters with the department, or at any rate with certain of the Indian agents who are now, or have been in the past, in the service. The main claim of the petitioners is in regard to the timber. It seems to me that the Indians are quite justified in asking for an accounting, and I do not understand why their request in that regard has not been granted. Apparently an accounting has been asked for many times. Surely they are entitled to know how much money their timber has brought, and how that money has been disposed of. If there is any sum to be placed to their credit they are entitled to know it. Apparently only one accounting was made by the department. Then there is the question of providing educational facilities. If these Indians are ever going to be lifted out of their position as wards of the government it seems to me they must be afforded some chance of obtaining an education. Apparently no facilities of this kind are provided for them at the present time. The Indians also want to be instructed in agriculture; they think they are entitled to the same treatment that has been extended to the Indians in Alberta and Saskatchewan. There is another demand to which they appear to attach considerable importance, namely, that some kind of a house of rest should be provided for them when they go to Kenora, as the Indians quite frequently do. They are not able to stay at hotels, because they would not be welcome guests, and there is absolutely no place in Kenora where they can put up. In conclusion I submit to the minister these requests should

receive consideration. These Indians have certain rights under the treaty and the government should be prepared to strictly carry out those rights.

Mr. STEWART (Argenteuil): The complaint voiced by my hon. friend, and backed by the petition he has been handed, has been brought to the attention of the department. I may say there was a change in agents about three years ago. As far as I can learn, the agent who occupied that position prior to that time was not entirely satisfactory and the change was made. So far as I know the present incumbent is giving satisfaction. My hon. friend would agree that a grievance running back for over forty years is rather a serious matter, and I am asking to send Mr. Paget, the accountant of the department, up there to make a thorough investigation, to hear all the complaints of the Indians, and to bring back a full report as to the conditions existing. With respect to the accounting, I would refer my hon. friend to the public accounts. Complaint is frequently made by the chiefs of the Indians that they do not get an accounting of the funds. An accounting is made every year, and it is at their disposal if they wish to avail themselves of it, but we propose to have a thorough investigation of the allegations of these Indians.

Mr. HALBERT: Has the minister had any complaint from the Indians or the Indian agents on the Rama reserve with regard to the medical attendance there, and will the minister give me the name of the doctor in that district?

Mr. STEWART (Argenteuil): Dr. Gilpin. I do not know where he lives.

Mr. HALBERT: He lives at Brecken, about twenty miles from the reserve. Has the minister had any complaints or requests for a change of doctor?

Mr. STEWART (Argenteuil): Yes, I think we have had complaint on account of the distance the doctor lives from the reserve.

Mr. HALBERT: Has there been any change in the doctor.

Mr. STEWART (Argenteuil): No, the matter is under consideration.

Mr. NEILL: Would the minister explain how it is that we have salaries detailed for Nova Scotia, New Brunswick, and Prince Edward Island and none for Ontario, the prairie provinces or British Columbia? The salaries are not given in the latter case in the details. If they are not given here, where can they be found?

Mr. STEWART (Argenteuil): I can give my hon. friend the amounts. He is referring to the Civil Service list, I presume.

Mr. NEILL: No, I am not referring to the Civil Service list. I take it that the Civil Service list contains the officials at Ottawa, but these are the salaries or the details of the different moneys to be voted by provinces. Nova Scotia has six items, one of which is local salaries of Indian agents and so forth. The same is true of New Brunswick and Prince Edward Island; but when we come to the other provinces, while there are details as to relief and so forth, there are no items for salaries. Why are they not there, and where are they?

Mr. STEWART (Argenteuil): I am informed they are under the item "General Expenses" and have not been separated in the prairie provinces.

Mr. SPENCE: There is an increase of $31,000 in this item. Could the minister give a reasonable excuse for that increase and let us know how much of the $246,000 was used in Quebec? The balance would be for Ontario. Why are the items not kept separate, the same as in the case of the other provinces?

Mr. STEWART (Argenteuil): We are asking for $8,800 in connection with the wing of the Lady Minto hospital at Chapleau, which provides, under the Victorian Order of Nurses, excellent nurses. There is a limited number of patients. Unfortunately the hospital is not able to afford sufficient accommodation for the Indians of the district, and consequently about 318 Indians of the Cree and Ojibway tribes, and in addition pupils of the Chapleau boarding school, are unable to obtain hospital accommodation, and this item is to provide the neccessary accommodation for the Indians in the hospital there, and also to provide an amount towards placing the Caldwell tribe of Indians on St. Ann's island in lake St. Clair. This is a band that has never been located. They have been wandering about south-western Ontario and have been the cause of a good deal of complaint by the municipalities. They are without a home, and we are endeavouring to establish them on the island. This vote this year will be used for the purpose of drainage to prepare the island for their reception. There are about 104 souls in this band comprising twenty-one families. This vote will defray the cost of the completion of the road in the township of Onandaga in the Six Nation reserve; the $9,000 is to carry the road right through and gravel it. It is used a great deal by the Indians themselves as well as by

the general public. These are the three items that go to make up the additional $31,000 for Ontario and Quebec. My hon. friend wants to get the difference?

Mr. SPENCE: Yes.

Mr. STEWART (Argenteuil): The figures are: Ontario, $159,224, Quebec $87,311. The population in Quebec is 13,348, and in Ontario 22,344.

Mr. SENN: How much of these funds are held in trust by the government for the Six Nation Indians, and what income is derived from that fund? How is the money expended? Will the minister tell us the general policy of the department in expending the money?

Mr. STEWART (Argenteuil): At the end of last year we had $683,431.69 of the trust fund on hand. That is the capital fund, and the interest accruing on that fund is used in the interest of the band. The interest fund is $43,010.07, and we have a large number of disbursements charged to the interest fund. If my hon. friend will get the Auditor General's report he will find complete details. Of that $43,000 we have remaining to the credit of the band $2,749.65.

Mr. SENN: Will the minister tell me why the policy of the government of late has been not to distribute any money among the Indians as was formerly done? I understand relief orders are given to the Indians. Who issues these relief orders, and why have the Indian council relief orders not been honoured during the past year?

Mr. STEWART (Argenteuil): In all cases relief orders are issued by the agent. Needless to say, we have had considerable friction on the Six Nation reserve and we are trying to get it adjusted. A considerable amount of propaganda has been going on, which is somewhat embarrassing at the present time and it is backed by the council. I do not want to go into the details of the matter. We are keeping a very careful account of the expenditures. My hon. friend can get those accounts, examine them and see exactly what the money has been spent for; but it is a fact that we have been issuing relief orders on the instructions of the doctor and the agent.

Mr. SENN: How many doctors are there on the reserve doing work for the department? I understand a petition has been received by the department that the council should be an elective rather than an hereditary council. Could the minister tell me offhand how many names on that petition are of men who have received relief orders during the past year?

Mr. STEWART (Argenteuil): I could not give my hon. friend that information. It is true that we have had a petition asking for a change in the method of appointing council to an elective system. That is a very live and controversial question down there. As my hon. friend knows, the council very strenuously oppose any change being made. We have had a good deal of difficulty with the Six Nations Indians, but I think our administration has been firm and fair. That is what we have sought to make it, and I am sure the effect will be felt in a short time. As in many other cases, outside interference will create influences that sometimes are detrimental to the management.

Mr. SENN: The minister did not answer my question as to how many doctors are employed on the reserve by the department. I understand there are two and one of them does not reside on the reserve. Complaints have reached me in respect of that. Are these relief orders issued, or is it the policy of the department to issue them to returned men or to widows and orphans in receipt of mothers' allowances?

Mr. STEWART (Argenteuil): There is no particular class to which relief orders are issued. They are issued only in case of absolute necessity. One doctor resides on the reserve, and in answer to a request that more medical attention be furnished, a second doctor was appointed who lives not on the reserve, but quite close to it and who renders service when called upon.

Mr. SENN: Complaints have reached me that the doctors who are employed on the reserve are furnished with drugs. At least one of the doctors is practising outside of as well as in the reserve. A complaint has also reached me that the secretary of the Indian Council has not received any pay from the department for at least two years. I understand it has been the policy of the department that the funds that are in trust for the Indians there should be used for that purpose. Has that been discontinued, and if so, what is the reason for that?

Mr. STEWART (Argenteuil): The reason was this, that they summarily dismissed the secretary-treasurer without consulting the department. For a time they were taking the law into their own hands and we had a cer-

tain amount of difficulty with the council. That difficulty is not entirely removed yet. The present incumbent of the position is not being paid for his services because he has never been recognized by the department.

Mr. SENN: A complaint has reached me to the effect that Indians are not allowed to cut their own firewood on their own farms for their own use. Has any such order been issued by the department?

Mr. STEWART (Argenteuil): I have never heard of any such order.

Mr. STEWART (Leeds): Has the minister any statement to make with regard to the progress of negotiations and the work of the commissioner appointed to investigate the trouble with the Indians? Has any report been made by the commissioner?

Mr. STEWART (Argenteuil): A report has been made by the commissioner to the department. I shall be glad to give a copy to the hon. member for Leeds (Mr. Stewart) and the hon. member for Haldimand (Mr. Senn); but we have a very serious situation with a representative of the council in the Old Country endeavouring to stir up trouble with the League of Nations over this matter, setting up the claim that these tribes are not Canadian subjects and making statements of that character. These matters are all unsettled yet, and while I do not care to have the report made public at the present time, I shall be glad to put it in the hands of my hon. friends.

Mr. MEIGHEN: What has the government done as a result of the report of the commissioner?

Mr. STEWART (Argenteuil): We have the report. We have taken no action upon it so far. Perhaps I should not say that we have not taken any action, because we have taken action with respect to some of the recommendations, education, particularly.

Mr. MEIGHEN: What has been done in the matter of education as a consequence of the report?

Mr. STEWART (Argenteuil): An endeavour has been made to give better facilities for education, more schools. There is a recommendation with respect to the Mohawk institute that we have not yet acted upon, but we propose doing so in the near future.

Mr. MEIGHEN: One would think that the department's own officials would know about those features better than any commissioner whose experience would be limited to the commission.

Mr. STEWART (Argenteuil): As my right hon. friend who had at one time charge of the Indian department well knows, one of the difficulties is that the Indians often make the complaint that they do not receive fair treatment from the officials of the department. That is constantly coming up, and sometimes with respect to the agents. In order to put a quietus on that, I thought it worth while to send some one outside of the officials to whom they could come and make their statements, and who would give them a fair hearing of all the grievances, fancied or otherwise, that they might wish to bring before him. That was done.

Mr. STEWART (Leeds): How much has that commission cost to date?

Mr. STEWART (Argenteuil): $5,510.34.

Mr. STEWART (Leeds): Is the work of the commissioner completed?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Are the Indians now happy?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: I thought so. I have no faith in these special commissions to look into grievances of this kind. The officials of the department have infinitely more experience. I fancy the principal object was to help the commissioner rather than the Indians. May I ask who is representing this Dominion at the League of Nations in its contest with the Six Nations Indians.

Mr. STEWART (Argenteuil): Dr. Riddell is furnished with all the documents.

Mr. MEIGHEN: Who is he?

Mr. STEWART (Argenteuil): He is an attaché—

Mr. GRAHAM: He was appointed by the former government.

Mr. STEWART (Argenteuil): He is a Canadian attaché at the League of Nations and was appointed by the former government.

Mr. MEIGHEN: Of Manitoba university?

Mr. STEWART (Argenteuil): I think he was originally from Manitoba.

Mr. GRAHAM: He was in Toronto for a good while.

Mr. MEIGHEN: Have the Indians got a status in the league yet?

Mr. STEWART (Argenteuil): Not that I have heard.

Mr. MEIGHEN: Who is over there,—this man Long?

Mr. STEWART (Argenteuil): No, Deskahet.

Mr. MEIGHEN: That is worse.

Mr. STEWART (Argenteuil): He is known generally throughout the country around Brantford and he was in London when last I heard of him. Unfortunately this man has created a considerable impression, particularly upon the representatives of the smaller nations. It is amazing, nevertheless it is a fact that he did have some influence and has given trouble. He is now in England stirring up all the discontent he possibly can.

Mr. MEIGHEN: Has he gone over there since the commission was appointed?

Mr. STEWART (Argenteuil): He was over there before the commission was appointed.

Mr. GRAHAM: We are inclined to smile here at the Indian situation in relation to the League of Nations, but at one time during the sessions of the assembly of the league it did not appear to be a laughing matter. The representatives of the Indians arrived at Geneva by way of London. They first made their appeal in London and went further to the League of Nations; through the Netherlands they made an attempt to become members of the league. While in Geneva the Canadian representatives, I would not say experienced difficulty, but at any rate were of the opinion that Canada might be placed in a false position before the league inasmuch as the Indian representatives with their legal adviser from across the line had stirred up considerable enthusiasm in their case in the city of Geneva. As the Minister of the Interior (Mr. Stewart, Argenteuil) has pointed out the smaller nations seem to show great interest in the Indians' claim. They made the claim that they were neither British subjects nor Canadians; they declared that they were allies of Great Britain, their status having been recognized under an old treaty made many years ago. And when it was pointed out that they had served with the Canadian troops as Canadians overseas their reply was that they had done nothing of the kind but had gone overseas as allies of Great Britain, fighting side by side with other allies, who were Canadians. In short, they claimed the status of a nation and asked to be admitted to the league on that basis. There is an organization in Geneva for the protection of the Indians, and meetings were held nightly there protesting against the alleged treatment of these Indians by Canada. A deputation was sent from this association to wait upon the ex-Minister of Justice (Sir Lomer Gouin) and myself, asking why we had treated the Indians in such a manner. The Canadian delegation was at first inclined to be sceptical of the seriousness of the matter, but it soon appeared that the representatives of the Indians were really in earnest. In reply we directed them to send the Indians and their legal representative to us so that we might discuss the matter together. They never came, but at a meeting of the league the representatives from Persia were very insistent on a motion being made to have the whole question of the treatment of the Indians by the Dominion of Canada discussed in the Assembly. Application was made to Sir Eric Drummond, who I believe was secretary to the Assembly, and the matter was referred to the president and a certain board the name of which I cannot recall at the moment. It was decided that the Indians had no claim to a status in the league and their case was not brought up in any way before the Assembly. For two or three days it seemed as though the Canadian representatives might be called upon in the Assembly of the League of Nations to defend the treatment of the Indians by the Dominion of Canada. When this attempt failed the representatives of the Indians remained in Geneva, and I am not sure that they are not there now. They remained there for a time disseminating propaganda, and I believe they went to Paris for a while and then on to London. The latest information I have is that at the next meeting of the Assembly of the League of Nations another attempt will be made by the Indians to be recognized as a nation in the League.

Mr. MEIGHEN: I am afraid I find my enthusiasm for the League of Nations actually waning. If it is spending its time on humbug of that sort it seems to me it might soon be time for us to consider whether we will vote the money Canada supplies.

Mr. GRAHAM: That is what the Canadian representatives thought.

Mr. CALDWELL: It will soon be as bad as the Canadian parliament.

Mr. SENN: Is it true that a provisional council has been appointed by the department to administer the affairs of the Six Nations?

If so, what is the status of the present council, and is it looking after the affairs of these Indians? Further, why are their officers not paid from the funds?

Mr. STEWART (Argenteuil): I explained why the secretary-treasurer was not paid. The council is doing business, meeting once a month and carrying on its usual work. The summary dismissal of the secretary-treasurer accounts for the fact that the temporary officer appointed by the council has not received payment.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

Mail subsidies and steamship subventions—Halifax, Canso and Guysboro, steam service between, $9,000.

Mr. STEWART (Leeds): What is the life of these contracts?

Hon. T. A. LOW (Minster of Trade and Commerce): One year.

Mr. SPENCER: How long has this subsidy been paid?

Mr. LOW: About twenty years.

Mr. MEIGHEN: I do not know whether the minister considers it appropriate under this item, but I have traced back some information he gave the House on other items and found it very inaccurate—in fact grossly wrong.

Mr. LOW: I am very much surprised to hear that. I should be very glad to know what my right hon. friend has found wrong in the information which I gave.

Mr. MEIGHEN: For example, the minister complained of regulations of the Civil Service Commission compelling him to employ as commercial trade agents university graduates alone.

The CHAIRMAN: That is Civil Government.

Mr. MEIGHEN: I know it is not appropriate here ,but the minister has got away from Civil Government. Is he aware that the insistence on university graduates came from his own deputy minister, who refused to have any qualification whatever of that restriction?

Mr. LOW: As I understand, it is a regulation by the Civil Service Commission.

Mr. MEIGHEN: It is.

Mr. LOW: But I shall be very glad to look it up and inform my right hon. friend whether I am right or wrong. I am certain however that it is a regulation of the Civil Service Commission.

Mr. MEIGHEN: I did not say that it was not a regulation of the Civil Service Commission, but the fact that the regulation is as it is was due to the insistence of his own deputy minister that no one else but a university graduate could qualify for the position of commercial trade agent, and that when the commission suggested that a lesser educational equipment would do his deputy objected. Still the minister came to this House and complained of the regulation.

Mr. LOW: That may be true, but I have not had an opportunity of looking up the origin of the regulation. I know that in appointments made recently the regulation had to be observed. I have only been in charge of the department for about eight or nine months, but I may say that, as minister, I am opposed to the regulations, as they stand.

Mr. MEIGHEN: But he should not attribute to another body what his own deputy is responsible for. Besides, the minister complained of the age limit. Is he aware that a similar condition applies there?

Mr. LOW: My right hon. friend knows very well that it is a regulation of the Civil Service Commission. I do not consider that I misled the House.

Mr. MEIGHEN: Very good;—a regulation of the commission upon which his own deputy insisted would hardly be a regulation which the minister would be in a position to complain of. Then also he said that the training for the year was under a man appointed by the commission. Will he now admit that the training is under a man who was there before the commission existed?

Mr. LOW: I am now prepared to say that the training was under a man appointed by the commission.

Mr. MEIGHEN: Who is the man?

Mr. LOW: Mr. Poussette.

Mr. MEIGHEN: Does the minister say that Mr. Poussette was appointed to the service by the commission?

Mr. LOW: He was appointed director by the Civil Service Commission.

M. MEIGHEN: He was in the service.

Mr. LOW: Not in that capacity. He was a trade commissioner and was appointed director of the service by the Civil Service Commission, and I repeat that Mr. Poussette was placed in charge of that branch of the department by the Civil Service Commission.

Mr. MEIGHEN: Mr. Poussette was in the service before the commission existed.

Mr. LOW: My right hon. friend will not argue that when Mr. Poussette was in South Africa he was in a position to train the junior commissioners that we were bringing into the service, nor will he deny that he was placed in charge of this branch during the regime of the former Minister of Trade and Commerce while my right hon. friend was Prime Minister?

Mr. MEIGHEN: Mr. Poussette was moved from one position to the another with the approval of the commission, but he entered the service not under the commission at all. Certainly it is the latter impression which the minister gave the House.

Mr. LOW: No, I endeavoured to convey to the House that the man in charge of the training was placed in charge of that training by the Civil Service Commission, and I stand by that statement.

Mr. MEIGHEN: He was not.

Mr. GRAHAM: He was appointed to that work by the Civil Service Commission.

Mr. MEIGHEN: Does the minister complain of him in that work?

Mr. LOW: I did.

Item agreed to.

Halifax, LaHave and LaHave river ports, steam service between, $6,000.

Mr. MEIGHEN: Who has this contract?

Mr. LOW: The Western Steamship Company of Halifax.

Mr. MEIGHEN: How long have they had it?

Mr. LOW: Four or five years.

Item agreed to.

Halifax and Newfoundland, via Cape Breton ports, steam service between, $5,000.

Mr. MEIGHEN: I notice there is a mercantile marine service in Newfoundland. Why is there a subsidy as well?

Mr. LOW: This service starts from Halifax, the other from Montreal and Sydney.

Mr. MEIGHEN: Would not the Sydney boat call at Halifax?

Mr. LOW: This could not be done without great inconvenience. It is an entirely different type of boat.

Mr. MEIGHEN: What company has this work?

Mr. LOW: Farquhar and Company, Halifax.

Mr. MEIGHEN: How much was paid for the service from Sydney before the mercantile marine took it over?

Mr. LOW: There was no subsidized service from Sydney. This boat performed the service prior to the mercantile marine taking it over.

Mr. MEIGHEN: If this boat called at both places before, why cannot the mercantile marine boats call now?

Mr. LOW: This is a small boat that goes through the Bras d'Or lakes; the mercantile marine boats are too large.

Mr. MEIGHEN: There was a subsidy previous to the Sydney service by the mercantile marine. What was the subsidy which covered both ports?

Mr. LOW: $10,000.

Mr. MEIGHEN: So the facts are these: Previously for a small boat that would go through the Bras d'Or lakes, calling at Sydney and Halifax, and proceeding to Newfoundland we paid a subsidy of $10,000.

Mr. LOW: As against a subsidy to-day of $5,000.

Mr. MEIGHEN: For a small boat going through the Bras d'Or lakes and calling at Halifax alone.

Mr. LOW: The same boat.

Mr. MEIGHEN: The same small boat; and the mercantile boat made a profit last year of $40,000. That is the evidence, I see, of Sir Henry Thornton before this commission; I was just reading it to-night. So in addition to earning the $40,000 it saves us a subsidy of $5,000 and gives a separate and large boat service instead of a single and small boat service.

Mr. LOW: It is to our advantage, of course, to save that $5,000, and we have a profitable service the other way.

Mr. MEIGHEN: Yes, I see that. I was just pointing out that we saved the subsidy and got a far better service now, and make a profit besides. This boat must not be such a decrepit thing as the others that are so much complained of. It must be a fairly good boat. With regard to item 189, what is the name of the company?

Mr. LOW: The Halifax & Sheet Harbour Steamship Company. That service goes to Spry Bay and on to Cape Breton.

Item agreed to.

Halifax, South Cape Breton and Bras d'Or lake ports, steam service between, $5,000.

Mr. SPENCER: Why the decrease in this item?

Mr. LOW: The company are making a fair profit, so we decreased the subsidy.

Mr. SPENCER: What profits are allowed before the subsidy is decreased?

Mr. LOW: There is no fixed amount. It depends on the capital charges or capital investment.

Mr. MEIGHEN: Does it depend on who owns the ship?

Mr. LOW: No, not in our case.

Mr. SPENCE: How do you arrive at the amount paid by way of subsidy? Is there never any change?

Mr. LOW: I have endeavoured to decrease some subsidies as my hon. friend will notice.

Mr. SPENCE: There is one lower; should they not all be lower?

Mr. LOW: We call for tenders and the lowest tender is accepted, unless we decide to renew the contract with whatever company has had it.

Item agreed to.

Halifax and west coast of Cape Breton, calling at way ports, steam service between, $6,000.

Mr. MEIGHEN: It seems very strange that there should be so many boats over the same route, between Halifax and Cape Breton.

Mr. LOW: This is the west coast. I have looked into these services and I do not think there is any duplication.

Mr. MEIGHEN: About how much profit is being made on this one?

Mr. LOW: A very small profit. The financial reports are received in confidence, but I have no objection to showing them to any hon. member if he will call at my office.

11 p.m.

Mr. SPENCER: Is it not only fair that where a company is getting a subsidy from the government its bookkeeping should be made public?

Mr. LOW: I question whether that would be wise. As I say, however, I should be glad to show any hon. gentleman the statements if he will call at my office, because I know that it would be treated in confidence.

Mr. MEIGHEN: Would the minister consider using on these services some of the boats that he is standing up for and his Minister of Marine is standing up for, thus avoiding the payment of subsidies? They are small boats and they would likely go through the Bras d'Or lakes.

Mr. LOW: I question very much whether they could be used there, I have not looked into the matter. However, it is worth looking into.

Item agreed to.

Mainland and islands of Miscou and Shippegan, service between, $2,000.

Mr. SPENCE: What is the reason for the reduction?

Mr. LOW: They showed a fair profit.

Mr. MEIGHEN: What is the name of the company?

Mr. LOW: Gloucester Navigation Company, Limited.

Mr. SPENCER: Is it impossible to get boats to ply between these points without a subsidy?

Mr. LOW: As soon as we threaten to reduce the subsidy they say they will withdraw, so we usually stand by it. On the other hand, if the subsidy were withdrawn the rates would be increased. When we grant a subsidy we have control of the rates, and we have the right of ratifying any rates that are put into effect.

Mr. CALDWELL: That is passenger and freight rates?

Mr. LOW: Yes, passenger and freight rates.

Mr. CALDWELL: Does the department have an accounting from these shipowners as to the whole of the year's operations?

Mr. LOW: Yes.

Mr. CALDWELL: I should like to point this out: On the surface the amount paid in subsidies to steamship companies for these services looks like a lot of money, but it is possible there is just one feature that is not apparent to hon. members who have not lived in the small places served by these steamships. In many cases they are small communities on isolated islands or headlands and are without railway communication. Even with the existing service I think most of us would not want to be placed in the same position at all. Without these subsidies it would be impossible for them to have any

regular means of communication. For example, take the case of a man who is raising produce in one of these isolated spots and wants to get that produce to the market in some of the larger towns. It is impossible for him to get across, we will say to Halifax, with his produce unless a regular service is provided. Without such a service there might be a danger of such places becoming depopulated. It is not only a matter of the inhabitants obtaining their mail but of getting their produce to market. And in many cases there would be great difficulty in inducing the shipowner to put his steamship on the route unless a subsidy were granted. I think I am safe in saying that without such a service there would be danger of these particular places becoming depopulated. The hon. member for Prince (Mr. MacLean) would know more about the conditions because I imagine he lives very close to them. However, I know such a condition exists. I confess that it looks as though a lot of money is paid for these services but it provides a means of transportation to the people who are carrying on a line of production both in fishing and in farming, and it enables them to stay where they are and produce and maintain the population of the country. That being so I think it is money well spent.

Mr. SPENCE: I should like to get a little information about this vote; I must confess I am ignorant in regard to it. How many months in the year do these boats operate that are giving the service from the mainland to those particular islands which my hon. friend (Mr. Caldwell) spoke about. He has figured that the population in one of these islands is small. Now, I presume these boats are simply carrying the passengers who live there backwards and forwards, delivering mail and so on. I should like to have particulars about the service that is carried on, and whether it would not be necessary to move the inhabitants off these islands to the mainland seeing that it requires so much in subsidies to maintain the services in question. My hon. friend (Mr. Caldwell) led me to believe that these islands were miniature islands. Well, there is lots of room on the mainland in the provinces of New Brunswick and Nova Scotia. Why do not these people leave these islands and settle there? It may be that some of these places are just summer resorts and the people frequenting them are getting the benefit of these services.

Mr. CALDWELL: I hope I did not leave a wrong impression on the mind of the hon. member. This applies to the people of the mainland because there are many communities so located. If you look at the map of the Maritime provinces you will find the coast line is very jagged; there are long points running out, and deep bays between the headlands. It is impossible to give people living in such places railway communication; in fact their only means of getting from where they live to market is by boat.

Mr. SPENCE: The hon. member talked about islands.

Mr. CALDWELL: I did refer to islands but communities on the mainland are similarly situated. The people on the mainland are perhaps not as isolated as regards transportation facilities as they are on the islands, but in many cases their only outlet is by the sea, the coast is a rough one and very broken, and very hard to navigate in stormy weather.

Mr. SPENCE: During how many months of the year are these boats operated?

Mr. LOW: From the opening of navigation until it closes, a period which usually lasts from May until November. On some of these islands there are from two to three thousand people.

Mr. SPENCE: Is there liable to be any increase in the population of such places, so that there would be the promise of an increase in freight and passengers to an extent that would make the operation of these boats pay?

Mr. ROBINSON: May I say just a word or two about some of the communities referred to. In some cases there are villages inhabited by three or four hundred people who have been settled there for perhaps two or three hundred years. Even on the mainland the people may, in some cases, be eighteen to twenty miles distant from a railway. It is impossible to move these people from their homes; they would not want to go any more than we would wish to move ourselves. The only communication they have with the outside world is during the summer months, say from May until November. These little steamers run along the shore. Take the coast of the Bay of Fundy with which I am familiar. The steamers call at the various ports once a fortnight, or something of that kind, and gather up the freight. Perhaps they start from St. John and call at different points as they go. I do not think it would be possible to operate these steamers without a govern-

ment subsidy; in fact it is claimed they do not pay as it is, and they do not give as good or as regular a service as the people are entitled to. We have heard a lot about the inconveniences suffered by people in the West who live twenty or thirty miles away from railways. Hon. members who have a knowledge of conditions such as that may have some sympathy with these people on the Atlantic coast. They have been settled where they live for years and they grow their produce there. In many cases cultivating fertile patches of land. If a subsidy is warranted at all it surely ought to be justified in such cases as these.

Item agreed to.

Mulgrave and Guysborough, calling at intermediate ports, steam service between, $9,500.

Mr. MEIGHEN: Who has the contract for this service?

Mr. LOW: The Elaine Steamship Company.

Mr. MEIGHEN: How long have they had it?

Mr. LOW: For four or five years.

Mr. MEIGHEN: Who had the contract previously?

Mr. LOW: Hugh Cann & Sons.

Mr. MEIGHEN: Did the former contractors abandon the service?

Mr. LOW: They abandoned the service because they could not make any money out of it.

Mr. MEIGHEN: Did they get the same subsidy that is now being paid?

Mr. LOW: No, slightly less. The then government—my right hon. friend's own administration, I presume—called for tenders.

Mr. MEIGHEN: How much did the former contractors get?

Mr. LOW: Six thousand dollars.

Mr. MEIGHEN: Which is increased now to what amount?

Mr. LOW: To $9,500.

Mr. MEIGHEN: Is there better service given now?

Mr. LOW: It is the best we can get for the money. We called for tenders.

Mr. MEIGHEN: What traffic is carried by that service?

Mr. LOW: Passengers and general freight. Guysborough has no railway communication.

Mr. CALDWELL: I suppose when we get the new Guysborough railway built we will be able to cut this out?

Mr. DOUCET: Do I understand the minister to say that we are getting better service to-day than under the regime of the Cann Steamship Company?

Mr. LOW: I did not say so.

Mr. DOUCET: The increase is $3,500, and we are entitled to a little better service. I know the country down there very well; I know for what purpose the subsidy is given, and when a subsidy is increased by fifty per cent, the travelling public generally will expect to get a better service.

Mr. McISAAC: This is a daily service between Guysborough, the county town, and Mulgrave on the Canadian National, a distance of thirty-five miles. The people of Guysborough town and the surrounding district are satisfied with the service performed. The increase in the subsidy is caused by having the boat call at Queensport, an important fishing centre, and the ferry trade from that port has largely increased the revenue of the Canadian National Railway in expressage and so forth. The service is now giving every satisfaction to the people along the whole line.

Item agreed to.

Newcastle, Neguac and Escuminac, calling at intermediate points on the Miramichi river and bay, steam service between, $5,000.

Mr. LOW: The lower ports are not served at all.

Mr. MEIGHEN: What are the lower ports?

Mr. LOW: Loggieville, Oak Point, Bay du Vin, Hardwicke and Neguac; they have no railway service.

Mr. CALDWELL: Loggieville will have railway service.

Mr. LOW: My hon. friend who lives in that locality knows more about it than I do.

Mr. DOUCET: I may say for the benefit of my hon. friend from Victoria and Carleton (Mr. Caldwell) that of the places named by the minister Loggieville is the only one that has railway accommodation. There is a branch line there but the others have no accommodation.

Item agreed to.

Pelee island and the mainland, steam service between, $11,000.

Mr CHURCH: I have no objection to the policy of the minister regarding these mail subsidies and steamboat subventions, but I would like to find out from the minister the policy of the government, and on what principle these subventions are granted. No province in the Dominion is suffering to-day from the lack of transportation facilities as much as Ontario. Steamboat towns like Picton and many other places are dead to-day, and the steamboat has been frozen out of the lake business in the province of Ontario owing to a monopoly. I would like to see the principle of the mail subsidy established in Ontario, and subsidies granted to the small steamboats. These boats have had to go out of business, for instance, on the bay of Quinte. They should be given a subsidy in return for services rendered, and we would have a better mail service. Dear knows, in rural Ontario the mail service is not what it should be, as has been explained by the hon. member for South Simcoe (Mr. Boys). I have no objection to these particular grants, but I doubt if they come within the meaning of the British North America Act as being works for the general advantage of Canada. I think the principle of granting subsidies should be extended to the province of Ontario and subsidies should be given to the boats running to towns on the north shore of lake Ontario and to boats calling at ports on lake Huron, where they have only one through service a day. Some of them have not even that. The result is that we have to depend very largely on the rural mail delivery. The Maritime provinces get this particular form of service from the Department of Trade and Commerce. I do not see why the principle should not be extended to the province of Ontario. Such subsidies have not been granted to this province.

Mr. LOW: In the province of Ontario the service was started about twenty years ago from the mainland to Pelee island, and it has been continued ever since.

Mr. CHURCH. I am not objecting to the particular vote, because no doubt it is necessary, but every vote should be on a basic principle, and if you are going to adopt the principle of giving to the Maritime province services by boats and branch and trunk lines to rural places which have many other forms of transportation, the principle should be extended to Ontario. You are giving them a boat service and subsidizing that service. I brought up this question last year, and the Minister of Trade and Commerce on that occasion appreciated my argument, as will be seen by a reference to Hansard. He said something was going to be done to give the boat service a chance in Ontario. It is time something was done in the way of subsidies and subventions to assist the boat business in Ontario. It is very badly needed. If you compare the mail service by boat on Georgian bay, and in the Muskoka district, and around Windsor on the Canadian side with the service rendered on the American side, you will see that we are far behind the times. If the Maritime provinces are to be given subsidies I think these subsidies should be extended to Ontario and other parts of Canada. They need some subventions to build up the steamboat business. It is not right to permit that business to be run by a monopoly. These boats cannot run without some assistance from the government. I am very much in doubt, however, whether these subsidies come within the British North America Act. However, if they come under the British North America Act, and the government is going to build up the Maritime provinces by granting these subsidies, the principle should be extended to Ontario. The rural parts of Ontario have been demanding better service. They have not the boat subventions and the mail subsidies which they should have and which the other provinces have. I should like to see the Maritime provinces get everything they can, because the country in my opinion did not keep faith with them. There are many parts of new Ontario and of old Ontario which have a very poor service and cannot under present conditions get a better service. The Canada Steamship Company has frozen out all these small steamboat operations at Sarnia, along the Detroit river and along the north shore of lake Ontario as far as Belleville. They have monopolized the boat business and driven all the small boats out of commission. The only remedy is to give the small boats a subvention. I hope the minister in the recess of parliament will look into the matter of subsidizing Ontario in regard to the boat business.

Mr. SPENCE: I object to the vote carrying. This Pelee island vote is the only one in the province of Ontario.

Mr. CAHILL: What constituency is the vote in?

Item agreed to.

Mulgrave, Arichat, and Petit de Grat, steam service between, $10,000.

Mr. MEIGHEN: Where are these large points?

Mr. LOW: In Nova Scotia, on the Gut of Canso.

Item agreed to.

Pictou, Murray Harbour and Georgetown, steam service between, $6,000.

Mr. MEIGHEN: Who has this contract?

Mr. LOW: There was no service last year. We are going to call for tenders.

Mr. MEIGHEN: There was a vote last year.

Mr. LOW: It was not used.

Mr. MEIGHEN: Was there a service the year before?

Mr. LOW: Yes.

Mr. MEIGHEN: What was the company's name?

Mr. LOW: La Have Steamship Company of West La Have.

Mr. MEIGHEN: How much did they get?

Mr. LOW: $6,000.

Mr. MEIGHEN: Why did they quit?

Mr. LOW: They could not make any money.

Mr. SPENCE: Can the minister get anyone else?

Mr. LOW: We are going to try again this year.

Mr. MEIGHEN: It looks as if there was not much business doing.

Mr. LOW: There cannot be a great deal or somebody would take up this service. If any steamship company were sure that with the $6,000 subsidy a profitable service could be established the service would have been taken up.

Mr. CHURCH: Am I to understand that these mail subsidies and steamship subventions apply only to the Maritime provinces? I cannot understand how, by the wildest stretch of imagination, these can be said to be works for the general advantage of Canada so as to come under the jurisdiction of this parliament. There are just as many ports in Ontario that have no form of transportation and that need a service for carrying mails and freight. In some of those places the mails and freight have to go by wagon route and other kinds of routes. That is the case in old Ontario, the Nipissing district, the Muskoka district, the district along the north shore of lake Ontario and many other parts of lake Ontario, and the Georgian bay district. This principle should be extended to the province of Ontario. Just fancy what a difference it would make if a subsidy of $15,000 or $20,000 were given to a steamship company to carry mails and freight between Napanee and other places on the bay of Quinte and the county of Prince Edward. This county is stagnant to-day and the population has decreased on account of lack of transportation facilities. There used to be a boat service all along the bay of Quinte, but it has been frozen out to-day. If a subsidy could be given for a boat plying between Napanee, Desoronto and these other places, those parts of Ontario would come into their own, and they are just as much entitled to a mail subsidy for a boat to carry mails and freight as the Maritime provinces. I am not objecting to these mail subsidies and steamship subventions for the Maritime provinces, but there should be equality of treatment. Old and new Ontario alike are stagnant to-day and things are dead in that province simply because of lack of adequate transportation facilities. The minister should have a survey made of Ontario in order to see whether it would be advisable to grant subventions in order to build up the province and to act as a controller of rates. Three hundred and twenty-four municipalities in Ontario voted for a railway system of their own because they were so sick of the service that the steam railways were giving them, and a subvention of $10,000 a year for a mail and freight service would be enough to establish a boat service in all the small towns of Ontario along the Great lakes. This matter was brought up last year and the year before but nothing has been done. There is no province in the Dominion suffering worse than Ontario on account of lack of transportation facilities and I should be glad if the minister would make a survey of the province because the former minister was going to do so but did not take any action.

Mr. LOW: I shall be very glad to make a survey.

Item agreed to.

Pictou, Mulgrave and Cheticamp, steam service between, $11,000.

Mr. MEIGHEN: Was a service carried on last year?

Mr. LOW: Yes.

Mr. MEIGHEN: What company has it?

Mr. LOW: The North Bay Steamship Company of Port Hood, N.S.

Mr. STEWART (Leeds): Are Mulgrave and Port Mulgrave the same?

Mr. LOW: Yes.

Mr. STEWART (Leeds): It seems to be a very important place. Many of these services seem to radiate from Mulgrave or Port Mulgrave.

Mr. LOW: My friends from the Maritime provinces say that it is a very important place. Seriously though, it is the "jumping off" place between Nova Scotia and Cape Breton.

Mr. DUFF: I might, perhaps, explain to hon. members from other parts of the Dominion that Mulgrave is the connecting point between Nova Scotia and Cape Breton, and passengers from Halifax and other parts of the Maritime provinces get off at Mulgrave to take steamers for Arichat, Guysborough, Inverness, Cheticamp and other points along the shore.

Item agreed to.

Pictou, New Glasgow and Antigonish county ports, schooner service between, $1,500.

Mr. SPENCE: Have we a breakwater or wharf at all these little peninsulas out in the sea? Are they little summer resorts for individuals?

Mr. LOW: Not at all. If my hon. friend would ask the Minister of Public Works, he would be glad to answer these questions.

Mr. SPENCE: Last year, when we were discussing the estimates of the Minister of Public Works we were building a dock for every individual living around the shore there. Now we are providing a boat service for those people.

Item agreed to.

Port Mulgrave, St. Peter's, Irish Cove and Marble mountain, and other ports on the Bras d'Or Lakes, steam service between, $10,350.

Mr. MEIGHEN: Why the increase?

Mr. LOW: It is not possible for us to carry on the service without this extra amount and the service is an important one. We are not losing money on it. Certain improvements are contemplated.

Mr. THURSTON: What are the proposed improvements?

Mr. LOW: I have not the details here but I shall be glad to show them to my hon. friend if he will drop into the office. The contract is only for one year and we can discontinue it next year if that is advisable.

[Mr. Low.]

Mr. KYTE: The Bras d'Or lakes are of course inland waters; they are in the island of Cape Breton, and the service which is afforded under this vote accommodates a large farming country. The markets are in the mining centres of Cape Breton county and this boat is subsidized to perform a service which has been rendered now for twenty-five years. The service performed heretofore was not considered adequate. More ports of call have been added and in order to meet the requirements of the people who have no railway accommodation in that part of the country and who therefore are entirely dependent upon these subsidized steamers it is necessary that water communication shall be maintained. This service is an important one and is successful. As time advances and the population increases further accommodation becomes necessary periodically.

Mr. MEIGHEN: Is the population increasing?

Mr. KYTE: In certain centres it is. Marble Mountain, and Iona are important farming districts, and the population has increased in these places and in the mining towns. There are more products consumed in the mining certres to-day and there is therefore a greater necessity for continuous communications.

Mr. STEWART (Leeds): Is the service weekly?

Mr. KYTE: It is a tri-weekly service.

Mr. MEIGHEN: I do not understand why there should be half a dozen different companies running boats on the Bras d'Or lakes. There are several places in the estimates where subsidies are provided for boats in these lakes. The Bras d'Or lakes are of course beautiful but they are not very large. Would it not be more economical if one concern had the whole thing in hand and if one subsidy were voted?

Mr. KYTE: The same company owns all these different boats. For instance, the boat that operates in the north part of Cape Breton is owned by the same company that owns some other boat, such as the Richmond, which operates on a different route.

Item agreed to.

Mr. MEIGHEN: I would suggest to the minister that as he has made considerable progress we should now adjourn.

Mr. LOW: I have not many more items.

Mr. MEIGHEN: The next one is an item that will require some discussion and we have already passed the hour of adjournment.

Mr. LOW: There are only a few more items.

Mr. DUFF: Go on.

Mr. MEIGHEN: The hon. member says, go on.

Mr. DUFF: This is the middle of June, I want to get home.

Mr. MEIGHEN: We heard a different tune when the hon. member was on this side.

Mr. DUFF: I would help you if I were sitting there.

Mr. MEIGHEN: This is a different opposition now. We have had a fair discussion of each item and reasonable progress has been made.

Mr. DUFF: My hon. friend used to keep us until two o'clock.

Mr. LOW: I should like to get items 181 and 182 carried.

The CHAIRMAN: These items are:

Charlottetown and Pictou, steam service between, $8,000.

Charlottetown, Victoria and Holliday's Wharf, steam service between, $4,000.

Some hon. MEMBERS: Carried.

Items agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. GRAHAM moved the adjournment of the House.

Mr. MEIGHEN: What will be the business to-morrow?

Mr. GRAHAM: To-morrow we shall take up certain resolutions and bills standing in the name of the Minister of Justice. Following that probably we shall take up the bill in the name of the Minister of Trade and Commerce with reference to the Gold and Silver Marking Act, and probably one or two other bills. Thereafter we shall take the estimates of the Department of Trade and Commerce, followed by the estimates of the Public Works department.

Mr. MEIGHEN: Will all the resolutions standing in the name of the Minister of Justice be taken up, and if so are they first?

Mr. GRAHAM: Among those that will be taken up will be Orders: No. 22, second reading of Bill No. 39 to amend the act to authorize re-arrangements and transfers of duties in the Public Service; No. 23, second reading of Bill No. 65, to amend the Judges Act; No. 27, second reading of Bill No. 116, to amend the Exchequer Court Act; No. 28, second reading of Bill No. 117, to amend the Expropriation Act; and No. 32, second reading of Bill No. 120 to amend the Prisons and Reformatories Act.

Mr. MEIGHEN: That ought to be enough.

Mr. GRAHAM: The Minister of Justice did not think that they would take very long, but it is just possible he may be under a misapprehension as to the length of time they will require. We shall also take Order No. 39, the second reading of Bill No. 176 to amend the Gold and Silver Marking Act, 1913. After that we shall go into supply taking up the estimates I have outlined. Before the House adjourns I want to say that by agreement, as I am informed, between the different parties interested the Church Union bill will be taken up on Tuesday next and the day will be devoted to the discussion of that measure. It is earnestly hoped by all those who are anxious to get through that hon. members will be on hand so that if possible the discussion may be concluded on that day.

Mr. MEIGHEN: The minister is quite right in so far as the leaders go; I agreed to Tuesday, but I had no opportunity to consult anyone else. If there is any hon. gentleman anywhere who has a very valid objection to the discussion taking place on Tuesday he should be allowed to express it now; the debate is an important one.

Mr. GARDINER: I understood that next Tuesday the question would come up with reference to the disallowance of the Alberta Tax Act. The Minister of Justice had agreed to have that question discussed then owing to the fact that it had been postponed for several days.

Mr. GRAHAM: I spoke to the Minister of Justice as to Tuesday being fixed for the discussion of the Church Union bill, and he was perfectly agreeable. It is a very important measure, and as it is thought wise that members should have notice several days ahead, I trust my hon. friend will not raise any objection to the course taken. The discussion of the other subject which he refers to can be transferred to another day without any loss of time.

Mr. GARDINER: Provided, then, that this other discussion will take place some other day with the consent of the government, I have no objection at all.

Motion agreed to, and the House adjourned at 11.40 p.m.

Wednesday, June 18, 1924

The House met at three o'clock.

PUBLIC ACCOUNTS COMMITTEE

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I move, seconded by Hon. Mr. Robb, that the name of Mr. Good be substituted for that of Mr. Kennedy, (Edmonton), on the select standing committee on Public Accounts.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

RENTAL OF POSTAL STATION

Mr. FOURNIER:

1. What is the yearly rent paid for the postal station, occupying part of La Patrie building, at the corner of St. Catherine street and City Hall avenue, Montreal?
2. How long has this building been occupied as a post office branch?
3. What was the yearly rent paid for the building previously occupied by the post office, on the north side of St. Catherine street, a short distance from La Patrie building?
4. Is it not a fact that a building just as suitable for a branch post office could be rented for at least 50 per cent less than is paid for the present location?

Hon. Mr. KING (Kootenay): The answers to these questions are as follows:

1. $11,358 per annum.
2. Since May 1, 1917.
3. $1,680 per annum.
4. The department is not aware that equally suitable premises can be obtained for at least 50 per cent less than is paid for the present location.

CANADIAN NATIONAL RAILWAYS—ICE SUPPLY

Mr. BOURASSA:

1. What are the names of those who tendered for the supply of ice on the trains of the Canadian National railways at Charny?
2. What was the price per ton submitted by each tenderer?
3. Was the tenderer who obtained the contract supposed to pay the freight on the ice to Charny?

Hon. Mr. GRAHAM:

1. (1)—Phileas Paquet, St. Romauld, Que.; (2)—Omer Gamache, Tourville, Que.; (3)—J. A. Pelletier, Riviere du Loup, Que.

2. (1)—$1.45 per ton, f.o.b. cars St. Romuald, Que.; (2)—$2 per ton, f.o.b. Monk, Que.; (3)—$1.35 per ton, f.o.b. St. Romuald, Que:

Question arising as to the suitability of ice supply at St. Romuald, and as suitable ice could be supplied from Riviere du Loup, the contract was awarded Pelletier at that point at the same price he quoted f.o.b St. Romuald.

3. No.

QUEBEC BRIDGE MAINTENANCE

Mr. BOURASSA:

1. What amount was granted for the maintenance and repair of the Quebec bridge for the years 1922 and 1923, respectively?
2. What amount was expended for the years 1922 and 1923, respectively?

Hon. Mr. GRAHAM:

1. $25,000, year 1922; $20,000, year 1923.
2. $18,884, year 1922; $10,598, year 1923.

ONTARIO HYDRO-ELECTRIC POWER COMMISSION

Mr. PAPINEAU:

1. How many horsepower is the Hydro power commission of Ontario exporting to the United States?
2. Have they any surplus power to export at the present time?
3. When was the last license granted to export power?

Hon. Mr. LOW:

1. Licenses granted to April 14, 1924, totalled 167,050 horsepower.
2. The department has no positive information on this point.
3. April 14, 1924, 59,850 horsepower.

PERMANENT FORCE OF CANADA

Mr. McQUARRIE:

1. Have any orders been issued to reduce the strength of the permanent force of Canada?
2. If so, when?
3. What is the reduction for each permanent corps of (a) officers; and (b) non-commissioned officers and men?

Hon. Mr. MACDONALD (Pictou):

1. Yes.
2. 16th April, 1924.
3.

Unit	Officers	Non-commissioned Officers & Men	Total
Royal Canadian Dragoons	..	22	22
Lord Strathcona's Horse (Royal Canadian)	..	18	18
Royal Canadian Artillery	..	28	28
Royal Canadian Engineers	..	7	7
Royal Canadian Regiment	..	20	20
Princess Patricia's Canadian Light Infantry	1	29	30
Royal 22nd. Regiment	..	17	17
Royal Canadian Army Service Corps	1	15	16
Royal Canadian Army Medical Corps	1	4	5
Royal Canadian Ordnance Corps	..	15	15
Royal Canadian Army Veterinary Corps	1	..	1
Corps of Military Staff Clerks	..	1	1
Totals	4	176	180

CANADIAN NATIONAL RAILWAYS—DIRECTORS' MEETINGS

Hon. Mr. GRAHAM: A question was asked by my hon. friend from Kingston (Mr. Ross) the other day in reference to attendance at meetings of directors of the Canadian National Railways, which was answered by myself. I discovered that one page of the answer had been omitted. The list of meetings given in the former answer ends with October 1923. I have here a list of the regular meetings between November, 1923, and May, 1924, together with certain executive committee meetings. This will complete the reply to the hon. member's questions.

November 19, 1923: Sir H. W. Thornton, Mr. E. R. Decary, Mr. Gerard Ruel, Mr. J. H. Sinclair, Col. O. E. Talbot.

November 28, 1923: Sir H. W. Thornton, Mr. E. R. Decary, Mr. Gerard Ruel, Col. O. E. Talbot, Mr. Tom Moore.

December 17, 1923: Sir H. W. Thornton, Mr. J. H. Sinclair, Col. O. E. Talbot, Mr. E. R. Decary, Mr. Gerard Ruel, Mr. Tom Moore.

January 21, 1924: Sir H. W. Thornton, Mr. James Stewart, Mr. Gerard Ruel, Mr. Tom Moore, Mr. E. R. Decary, Col. O. E. Talbot, Mr. J. H. Sinclair.

February 14, 1924: Sir H. W. Thornton, Mr. J. H. Sinclair, Col. O. E. Talbot, Mr. Tom Moore, Mr. Gerard Ruel, Major G. A. Bell, Mr. E. R. Decary, Mr. James Stewart, Mr. F. G. Dawson.

March 1, 1924: Sir H. W. Thornton, Major G. A. Bell, Mr. Gerard Ruel, Mr. Tom Moore, Mr. E. R. Decary, Col. O. E. Talbot, D. J. McDougald.

March 17, 1924: Sir H. W. Thornton, Mr. Gerard Ruel, Mr. Tom Moore, Col. O. E. Talbot, Mr. D. J. McDougald.

April 14, 1924: Sir H. W. Thornton, Col. O. E. Talbot, Major G. A. Bell, Mr. Gerard Ruel, Mr. F. G. Dawson, Mr. D. J. McDougald, Mr. E. R. Decary, Mr. Tom Moore.

May 19, 1924: Sir H. W. Thornton, Mr. J. H. Sinclair, Col. O. E. Talbot, Mr. James Stewart, Mr. D. J. McDougald, Mr. E. R. Decary, Mr. Gerard Ruel.

Executive Committee—July 24, 1923: Sir H. W. Thornton, Major G. A. Bell, Mr. Gerard Ruel, Mr. James Stewart. September 24, 1923,: Sir H. W. Thornton, Mr. J. H. Sinclair, Mr. F. G. Dawson, Col. O. E. Talbot.

STEAMSHIPS T. J. DRUMMOND AND J. A. McKEE

Mr. ARTHURS: I call attention of the Minister of Railways and Canals (Mr. Graham) to a question standing in my name which was answered on Monday last. Apparently two of the answers have been omitted entirely. I would like to have the minister look into the matter.

Hon. Mr. GRAHAM: I have just given an explanation and have handed in an extra page of the answer.

UNOPPOSED MOTION FOR PAPERS

WEMBLEY EXPOSITION

Mr. SUTHERLAND:

For a copy of all correspondence between the Canadian High Commissioner and the Minister of External Affairs or the Department of External Affairs, and between the British Columbia representative in London, Mr. F. C. Wade, and the Minister of External Affairs, relative to the Wembley exposition; the use of Canadian materials in the buildings thereof and the relationship of the High Commissioner of Canada thereto.

SALARIES OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I would like to ask the government if they have any additional information to give the House regarding the dispute as to the Post Office employees wage schedule? What has become of the conference to-day between the men and the government? Also, in the event of a strike, what will the government do to move the mails and safeguard the public interest?

Mr. GRAHAM: The representative members of the cabinet are at present in conference with representatives of the postal employees.

JUDGES' ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 65, to amend the Judges' Act.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Residence within county court district.

Mr. GUTHRIE: Will the Minister of Justice explain that?

Mr. LAPOINTE: Under the law at present, judges have to reside in the county for which they have been appointed. In 1919 the province of Ontario enacted legislation for the purpose of ultimately increasing the number of county court judges. It provided that the Lieutenant Governor in Council had authority to group two or three counties into one county court district, and when one of the judges retired or died, he would not

be replaced, but the business would be done by the remaining judge or judges. This has been done in a number of cases and the number of county court judges in Ontario has actually been reduced.

The object of this legislation is to authorize a judge who has been appointed for a county to reside at another place in the new district formed by the grouping of several counties, and to live there legally and be entitled to his travelling expenses from that place when he goes into the district which is constituted by the amalgamation of those counties.

Mr. CHURCH: What is the minister doing to reduce the number of judges in Ontario? There are 66 county court judges in that province. According to the Ontario government returns, there were 60,533 civil suits, of which about 28 per cent were in the city of Toronto where there are only six county court judges. There is a congestion in the Toronto district and I should like to know what the minister is doing in regard to it. His predecessor said that during the recess of parliament he would take this matter up and relieve this congestion in the county of York, but nothing whatever has been done yet to put the matter on a proper basis. We have about eighteen high court judges, three or four of whom at times can spend about six months' holidays on political commissions. If we are to have economy, let us have it in counties where there are two judges where there is not enough civil and criminal work for one judge. In some parts there is scarcely enough division court work for the county court judge, whereas in Toronto the work is congested. In view of the Ontario legislation, the minister ought to tell the committee what he is going to do respecting a reduction of the county and high court judges, especially when some of these high court judges can take holidays, sometimes two or three times a year, and spend months on political commissions.

Mr. BOYS: I should like to make an observation or two regarding what my hon. friend (Mr. Church) has just said. His knowledge of the work is probably confined, to some extent, to what takes place in the city of Toronto. My life has been spent in the country, and I can assure him that he is entirely in error if he thinks that county court judges are not called upon to perform a good deal of work. Any return that may be referred to at the present time will not, in my opinion, reflect the true condition of affairs. Since the amendment to the County Court Act, in my county, and I venture to say in many other counties throughout Ontario, cases are and may be sued in the county court no matter what amount of money is involved, and unless the jurisdiction of the court is disputed, those cases proceed to trial in the county court. My own firm and many other firms in Simcoe are continually bringing actions in the county court where, as a rule, the jurisdiction is not disputed and the cases go to trial there. On account of that the county court judge has a great deal more work to do and, perhaps, two years from now the returns, when they are secured, will reflect that feature which they do not reflect at present.

I agree with what my hon. friend says in connection with the work in Toronto. There is no question that the county court judges there work very hard, and it may be that something should be done. Possibly the scheme which the minister has will relieve that to some extent by bringing in outside judges from time to time for use in Toronto. That was done in the past and it can be done in the future. But I do not wish to allow to pass unnoticed the statement that judges in the county courts in Ontario or elsewhere in Canada are not having a good deal of work to do. They certainly are. Our county is a large one and we have two judges. I think I may say that outside of the judges, perhaps, in Toronto, Hamilton, Ottawa and London, they have certainly as much or more to do than any of the other judges and they are kept fairly well occupied. The returns as to cases are not reliable data to go upon. A judge in the country may have to travel twenty or thirty miles to try one or two division court cases, and if you look only at the returns, it would appear that he was having very little to do. It means, however, that he leaves his home in the morning or, perhaps, the night before, and he has to spend the whole day there for the convenience—and properly so—of the litigants in that particular place. A judge in Toronto leaves his home at half past nine, ten or eleven o'clock and sits in court until four, half past four or sometimes five o'clock in the afternoon and he is never away from home. That is a consideration that must not be overlooked. I venture to say that most judges would prefer to be engaged continually from ten o'clock to four or half past four in the afternoon and have no travelling to do rather than spend many days in the year away from home. I trust if any consideration is to be given to what has been said, the minister will bear in mind that feature.

Sir HENRY DRAYTON: What is the minister doing to place the county court judges

of Toronto upon something like a fair basis? It is common knowledge to both of us that the great bulk of the work of the province is done at Toronto. The hon. member for South Simcoe (Mr. Boys) is not quite right in connection with the hours that the Toronto county court judges work. They have to leave home, as a rule, at nine o'clock in the morning, and at one time when I was practising in Toronto, when I was county crown attorney—and the situation is worse now—we used to sit regularly while the sessions were on from nine in the morning to nine, ten or eleven o'clock at night. I have gone home at two o'clock in the morning. Why? Because there was such a congestion of business, and sometimes we had one quarterly session of the peace ending the Saturday before the next jury were brought there on the following Tuesday. The work is very heavy. I am referring not so much to the volume of work, although that of itself would justify very sympathetic consideration from the minister. But we have had recognition in this House of different standards of living and expenses in different places. We have a difference of $2,000 a year,—if I remember rightly, and my hon. friend will correct me if I am wrong—in salaries paid to circuit court judges in Montreal whose jurisdiction is confined to cases involving sums of $100 or less. In Ontario we have no such limitation. The Toronto judges are exposed to exactly the same cost of living in that city as the Montreal judges are. Their rents are very high. I do not know how they live on the salaries they now receive. From what I know of some of them, I am inclined to think they are living on their capital at the present time to a limited extent. That is not a sound position. It was thought to be unsound in Montreal and the salaries there were increased. Why should the Montreal principle not be applied to Toronto, more particularly in view of the fact that there is a practically unlimited jurisdiction in the one case and a very limited jurisdiction in the other? I am quite aware that there are difficulties in my hon. friend's path; I am sure he will say at once, for example, that it would be invidious to make a distinction between judges whose jurisdiction is similar. But the fact is that this anomaly of which I have spoken exists to-day. I think I can safely say that when I was a practising attorney, about forty per cent of all the criminal business of the province was done in that city. The matter is an old one. As pointed out by the hon. member for North Toronto (Mr. Church), the minister's predecessor took it into consideration; he approached the subject from two aspects, one being whether in view of the volume of work entailed there should not be an extra stipend. The fact of the volume of the work was admitted, but there was an uncertainty as to the principle involved. The other aspect from which the minister's predecessor considered the question was the extra cost of living at that point. The then minister wanted to do something, and I submit that he certainly gave the judges to understand that during the intermission he would consider the question and bring down some measure of relief. Will my hon. frind make some reassuring statement?

Mr. LAPOINTE: With regard to the first part of the remarks of my hon. friend from North Toronto (Mr. Church) as to the congestion of work in the county of York, I may observe that this matter does not come directly under the jurisdiction of the Department of Justice inasmuch as the organization of tribunals lies within the sphere of the province. There is no doubt that the judges of the county of York who are administering justice in Toronto have a considerably larger amount of work to do than have the judges of the other districts of the province. Applications have already been made that special treatment be given those judges in the way of increased salaries. It has also been represented that in the districts of Hamilton, London and Ottawa there is legitimate ground for special consideration. The matter presents some difficulty; as my hon. friend from West York (Sir Henry Drayton) himself admits, it would be somewhat unwise to discriminate between judges of the same jurisdiction and standing. There is no doubt, however, that especially in the case of Toronto where the judges are overwhelmed with work a larger salary than is at present paid is deserved. But I would hesitate to open the question of increasing judges' salaries at this session.

Mr. LANCTOT: It would not be popular.

Mr. LAPOINTE: My hon. friend from Laprairie and Napierville (Mr. Lanctot) applauds that statement; but the demand is being made and certainly it will have to be considered seriously. The present discussion, however, is hardly relevant under this bill. There was an agreement, about which I think my right hon. friend (Mr. Meighen) knows, between the previous government and the government of Ontario, when the salaries of county court judges were increased, that the number of judges should be reduced; and the province has enacted legislation to that end. The Attorney General of Ontario has indicated the districts which have been formed by the grouping of two or three counties where a

lesser number of judges can do the work, and this has been the policy pursued both by the previous and the present government. Only recently there was in the county of Huron a vacancy which has not been filled, that county having been added, I think, to Perth to form a new district. There is therefore no longer any necessity for a judge in Huron and no new appointment has been made. The purpose of this bill is merely to determine the most convenient place in the whole district for the residence of the judge.

Mr. MACLEAN (York): Is it not reasonable that when the readjustment takes place there should be an improvement in the salaries of the judges in the county of York, in view of the greater amount of work they have to do?

Mr. LAPOINTE: I should like to have a general expression of opinion as to whether that is advisable and whether it would be good policy to discriminate in the matter of the salaries paid to judges administering justice in the respective districts.

Mr. GUTHRIE: I agree with the minister that there is a good deal of difficulty about the question of adjusting judicial salaries, and that difficulty arises largely from the fact that our counties or judicial districts, particularly in the province of Ontario, are by no means all alike. There is a great disparity between the judicial districts; there is a great difference in their respective areas; there is a great difference in the facility or the difficulty of travelling from place to place; and there is also a difference in the population of one as compared with another. There are some counties in Ontario where one judge can perform all the judicial duties and have time to spare; but I do not think that is the case in the great majority of our counties. The Ontario legislature passed an act to overcome that difficulty by grouping certain counties for the purpose of reducing the number of judges and thus saving the extra cost in salaries to the country. There are counties like York where there is always a great pressure of business and where a very large proportion of the litigation in the province takes place. My hon. friend (Mr. Church) stated a moment ago that about 28 per cent of a certain class of cases arising in the province were disposed of in Toronto. The county in which I live is fairly compact and has a population of some 55,000. Hitherto we have always enjoyed the distinction of having two county judges, but after the passage of recent legislation in Ontario the number was reduced to one. Simcoe county, represented by my hon. friend who sits behind me (Mr. Boys), has I believe a population of about 90,000, and territorially it is a very much larger county than the county of Wellington. Simcoe still has two county judges, and I maintain that there is as much work for one county judge, if not more, in the county of Wellington as there is for two in the county of Simcoe. At the same time, let me add, the two county judges in Simcoe perform in a year as much judicial service as do the county judges of the county of York. It would be very difficult under these circumstances to discriminate in the matter of judicial salaries. If the minister thinks that the time has come when there should be an increase in those salaries,, all well and good but I think that increase should apply to all county judges alike, whether they be in Toronto or in the most remote districts of Ontario. I for one am inclined to think that judicial salaries might well be increased. I am aware that there is no unanimity of opinion upon the point, and I am expressing only my own view. I think that the county court judges in this province are still underpaid, the high court judges likewise, but whether this is the proper time to advocate an increase in their salaries I do not know. This bill, however, is certainly a move in the right direction. When the legislature of Ontario grouped the counties, a difficulty arose as to where the judge was to be located, where we could expect to find him; and particularly is this bill necessary because it will fix the point from which the judge will base his calculations for travelling expenses. I assume that that is one of the important objects of the proposed measure.

There are a large number of judicial functions arising in Ontario under the Municipal Act entirely unconnected with litigation, such as questions of assessment and appeals from municipal assessments. Judges in Ontario are also police commissioners, in which capacity they have to perform duties of various kinds not altogether judicial in character. When all these extra duties are taken into consideration, I submit, judicial salaries in Ontario, whether for high court judges or county court judges, cannot be termed exorbitant, and I think the minister might well consider the propriety of some increase.

Mr. BRISTOL: Is it correct that certain judges in Montreal are paid higher salaries than county judges in the province of Quebec by reason of the fact that their expenses are greater in Montreal than they would be in the rural districts?

Mr. LAPOINTE: No, the judges of the high court in Montreal are paid exactly the same salaries as the judges in the rural districts. My friend from West York (Sir Henry Drayton) was referring to the judges of the circuit court; they are in a class by themselves and are not like the county court judges in Ontario, who have the same standing and the same jurisdiction all over the province. The circuit court at Montreal is a special tribunal with a special standing, and apart from the jurisdiction which my friend has referred to these judges have jurisdiction in all municipal matters, and it is well known by litigants and the bar that those judges have a very considerable amount of work to do. Their salaries are not as high as those of the high court judges, but, it is true, they are higher than the salaries of the county court judges of Ontario.

Sir HENRY DRAYTON: Two thousand dollars more, is it not?

Mr. LAPOINTE: I think it is.

Mr. BRISTOL: Since there has been taxation of incomes, have judges' salaries been increased at all?

Mr. LAPOINTE: I think they have.

Mr. MACLEAN (York): It follows from what the minister has said that the legislature of Ontario ought to create a special court for Toronto.

Mr. LEADER: Mr. Chairman, I know it will appear somewhat audacious for a farmer to discuss matters pertaining to judges and lawyers, but I understand that the hon. minister has intimated that the judges are making a demand for increased salaries. I also understand that the member for South Wellington (Mr. Guthrie) upholds that viewpoint and thinks that an increase would not do any harm. In view of this, I beg to submit some figures contained in an answer to a question which I put on the order paper on April 14, last. I was informed that we have 280 judges in the Dominion. I do not know how that figure compares with the judiciary in other countries, such as the United States or England, but I venture the guess that we are overmanned in this respect as well as in respect to other governmental machinery. I was also informed that the annual salaries paid our judges in 1919 were $1,452,554.57. In 1920, I think in conjunction with the increase of parliamentary indemnities, the salaries of the judges were increased, the aggregate amounting to $529,845.43. The total salaries paid our judges now are $1,982,440. In addition to these salaries we also have to meet a bill for travellling expenses, which last year amounted to $134,623.47. Not only have we 280 active judges, but we have 38 on the retired list, these being in the fortunate position of drawing very remunerative pensions, the total paid them on this account last year being $179,166.63, or an average of $4,714.90. In view of the condition of the country I think we are paying our judges too much. There is a demand for economy all along the line, and it seems to me that, although many of these judges are eminent men deserving of all we can give them, they are also rich and should not expect such high salaries. I have been met with the argument that a good lawyer can always command a high salary. We have evidence that this is the case, for we know that our government will pay lawyers from $200 to $250 a day to take a case—yes, I believe in the case of W. N. Tilley they paid $400 a day. So there is no doubt something in the argument that good lawyers can get more money in private practice than they would receive on the bench. I am taking this opportunity, Mr. Chairman, to protest against any increase in judges' salaries.

Mr. NEILL: Mr. Chairman, I have searched this bill in vain to find anything in it in connection with salaries of judges, and I think that the whole discussion is out of order. Let me therefore practise economy in time by getting back to the subject of the bill. I should like to ask the hon. Minister of Justice if he would accept an amendment so that the section would read, "the provinces of Ontario and British Columbia." The conditions existing in British Columbia are parallel with those existing in Ontario, and if it is just and proper—and I quite believe it is—that the federal government which appoints the judiciary, should also designate the place at which they should reside within their district, then it is equally applicable to British Columbia. I do not know whether he is perfectly acquainted with the facts, but his predecessor in office was advised of conditions in British Columbia which rendered an amendment such as I have indicated very desirable.

Mr. LAPOINTE: The matter has not been called to my attention at all. This bill is intended to meet special conditions arising in Ontario on account of the act which was passed by the legislature of Ontario in 1919 grouping together many counties for the purpose of the administration of justice. I do

not know that the same conditions exist in British Columbia. The law as it is to-day compels a judge to live in his county, but we have to change it on account of the new conditions in Ontario. Has there been special legislation enacted in British Columbia organizing a new system of grouping of counties?

Mr NEILL: No, there has not been any grouping of counties; but this condition arose: in a certain district there was one county court judge, who resided, as the law provides, anywhere within the riding. Owing to the sparsely settled character of the district and the long distances to be travelled it was desired to have another judge to reside in the northern or more scattered portion of the district. After a great deal of agitation extending over a number of years this was granted and the second judge, when he was appointed, elected to reside not in the scattered portion of the district, where he was required and for the sole purposes of which he was appointed, but in the southern portion, a location more convenient to him. He is now drawing the salary, without being of any advantage to the government or to the lawyers or the people of the district wherein he resides. He really helps the other judge do what that other judge was quite able to do himself. He is within his rights, because he is living within the county. While this is not a question of the grouping of districts, the condition arises precisely there as in Ontario. The government is passing legislation here taking power to direct any judge to reside in any portion of his new district, or group district, as it may be. The principle is the same: you are not saying here that a judge shall reside somewhere in this group district, but that he shall reside at that point in his group district which the government shall designate. I submit that that is a parallel case, and that there could be no harm in taking similar powers in that respect to those now being taken for Ontario.

Mr. LAPOINTE: I understand that what my hon. friend mentions is a condition which prevails only in one particular place.

Mr. NEILL: So far it has taken place only in one county, because there is no other country district where there are two judges, but it is apt to occur at any place. One error is quite sufficient to justify our making provision for it, now that we are passing an act dealing with the matter. As the government retain the power in their own hands, no harm can be done if the government afterwards find it inadvisable to exercise that power. It is identically the same principle in British Columbia as in Ontario; it is a question of the taking of power to designate the residence of a judge within his jurisdiction.

Mr. LAPOINTE: I think my hon. friend should let this legislation go without the addition of the amendment he suggests. This is to meet a special provincial condition arising out of legislation applying to Ontario alone. I shall be pleased to consider the question submitted by my hon. friend and I assure him that if any legislation is necessary owing to the circumstances existing in the case to which he refers, we shall be glad to deal with the matter with a view to remedying the difficulty.

Mr. NEILL: I am obliged to the minister for his statement. But ministers of justice have a habit of passing away sometimes. We have the bill; we have the grievance; the remedy is right here, and I suggest that no great harm would result if this bill were allowed to stand over for another day, with a view to amending it as I suggest.

Mr. GUTHRIE: I doubt very much whether the bill now before the committee would meet the situation in British Columbia. The bill is drawn precisely to meet a situation in Ontario which has arisen as a result of action by the legislature of the province. If the legislature of British Columbia passed an act similar to the legislation passed by Ontario I have no doubt that the bill could be amended as my hon. friend suggests. But until we have evidence that British Columbia has passed an act to apply the grouping system, I think it would be entirely inappropriate to amend a bill drawn especially for Ontario. I rose particularly to say a word in reply to the hon. member (Mr. Leader). I admit that the question of judicial salaries does not arise directly in this bill, and I only mentioned the matter in response to the invitation of the minister that the opinion of hon. members be given on the subject. I did have reason to look into the matter with some care in 1920 when the salaries of judges generally were increased. I found then what I think you will find to-day, that judicial salaries in Canada are far less than they are in Great Britain or in any other British dominion. There is no comparison between judicial salaries in Canada and those in the United Kingdom.

Mr. LEADER: How does the number of judges in Canada compare with that in Great Britain?

Mr. GUTHRIE: I could not answer that; I am speaking only of the amount paid to individual judges for the performance of their duty as judges. In England the judges are paid on such a high scale that we could not

consider it in this country; I admit that. But comparing the salaries paid in Canada with those paid in Australia, South Africa, even New Zealand, we found in 1920, and I think you will find still to-day—though I cannot speak in regard to the figures to-day, because I have not examined them—that the salaries of judges in Canada are substantially less than those of judges in any of the other self-governing dominions.

Mr. CHURCH: The legislature of Ontario has placed on the county court judges of York a volume of work which county court judges in no other province are required to perform. They have the work in connection with the assessment rolls, voters' lists, election courts, and so on. The duties of division court judges and a very large proportion of the High Court work of Ontario has been laid upon the county court judges. A great many of these judges work very hard. The county of York has about one-third of the population of Ontario, and one-third of all the writs issued in the province are issued in the civil courts of York county. But they have only six county judges out of a total of sixty-six in the province, so that six judges do one-third of the county court judicial work of the province, while the other sixty do the remainder of it. Let me give a few figures to show why the Ontario government passed this cluster county district legislation. The county court judges of the county of York have to call for assistance from the county court judges of the county of Simcoe, the junior judge for that county and the senior and junior judges of Ontario, Halton, Peel and many other counties. Last year 5,430 county court writs were issued in civil cases throughout the whole of Ontario, while in the county of York 2,230 were issued, or 42 per cent of the number for the whole province. In Ontario there were 163 jury trials in county courts, and in York county 54, or 33 per cent. In Ontario there were 705 non-jury trials, and in York county 273, or 35 per cent. The figures for the criminal cases are about the same. There are only three other counties that can compare with York in this respect, namely, Middlesex, Wentworth and Carleton. In Middlesex county in 1922 there were 19 judgments entered, amounting to a total of $4,447; in Wentworth, 56 judgments, amounting to $14,555; in Carleton, 18 judgments, amounting to $3,680; in York county, 317 judgments, amounting to $110,961, or half the mount—$220,000—registered for all Ontario counties. The idea of the legislation passed in Ontario must be to transfer judges from districts in which the work is light to districts where there is a greater volume of business. A meeting of the county court judges was held last September and it was felt then that the county of York judges ought to be dealt with as a special case. In view of the fact that the late Minister of Justice promised that something would be done for York county judges, I hope that action will be taken this session by the minister with a view to giving recognition to the men who do the work.

Mr. HOCKEN: In view of the fact that this is the 18th of June, I would ask if this discussion is in order, Mr. Chairman.

Mr. CHAIRMAN: It may be in order, but I am somewhat in doubt.

Mr. CLARK: Much has been said from the point of view of the province of Ontario. I merely wish to express the opinion that discrimination at any time is a bad thing, and that if salaries in the city of Toronto, for instance, are increased for the county court judges, they should be increased in Vancouver and every other city of Canada, and I am not so sure that they should not be increased also in the rural districts.

Section agreed to.

Bill reported, read the third time and passed.

EXCHEQUER COURT ACT AMENDMENT.

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 116, to amend the Exchequer Court Act.

Motion agreed to and bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On Section 1—jurisdiction conferred by agreement.

Sir HENRY DRAYTON: Will my hon. friend explain?

Mr. LAPOINTE: Section 20 of the Exchequer Court Act defines the matters in which the court has jurisdiction. That section was amended in 1916 by the addition of paragraph (g) which reads as follows:

> Every matter in which the Crown and any person interested therein have agreed that the Crown shall pay to such person an amount to be determined by the Exchequer Court.

The purpose of this amendment is to widen the effect of this clause so that the court will have jurisdiction when the Crown and any

person have agreed in writing that either the Crown or that person shall pay an amount to be determined by the Exchequer court, and also in cases where any question of law or fact have been agreed upon in writing to be determined by the Exchequer court. To illustrate: when a contract is entered into by the Crown and any person, it may be stipulated in the contract that any difficulties arising out of it shall be determined by the Exchequer court, and this amendment is to confer jurisdiction upon the court to try such cases, where both the Crown and the person have agreed in writing, upon it. Matters have already been submitted to the court in similar cases, but there has always been a doubt whether the court had jurisdiction under the act. This is to make it perfectly clear and to prevent difficulty.

4 o'clock

Sir HENRY DRAYTON: How does this matter come up objectively? What case has brought this question to the front?

Mr. LAPOINTE: No special matter. This amendment is suggested by the officers of the department, on account of the fact that in some contracts a clause has been inserted providing that difficulties that might arise out of the contract should be submitted to the Exchequer court. The officers of the department have a doubt as to whether the court had jurisdiction under the law as it stands to-day, even where an agreement had been signed by both parties to refer such questions to the Exchequer court.

Sir HENRY DRAYTON: Has my hon. friend considered what the effect of this amendment will be, having regard to the volume of work of that court? The Exchequer court is fairly busy now, I understand. What volume of work does my hon. friend think is involved here? We have courts in some places that are not at all busy that might be looking after this work. Is this to be an argument for the appointment of another judge to the Exchequer court?

Mr. LAPOINTE: Nothing of the sort is contemplated. I think two judges, when they both work, are sufficient to look after all the work of the Exchequer court. My hon. friend will agree that it is desirable that matters in which the Crown is concerned should go to the Exchequer court; that is the natural tribunal to deal with all claims against the Crown or by the Crown arising for instance, under the Expropriation Act, cases for damages caused to property by reason of public works, cases under the Patent Act, and cases where there is loss of life by neglect of a servant of the Crown. And of course my hon. friend will see that these questions which may be submitted in consequence of an agreement are always matters in which the Crown has an interest, but I do not think they are so numerous as to multiply the work of the court.

[Mr. Lapointe.]

Sir HENRY DRAYTON: I just wanted to get an assurance on that point. Of course, it is perfectly clear that the Exchequer court is looked upon as a tribunal fitted to look after all these claims against the Crown that my hon. friend refers to, and they can be referred to the Exchequer court under the law as it now stands; but questions of agreements and the like were thought to be questions which could well be looked after by the ordinary courts, and so different principles are applied to them. I am not saying but that this legislation may be perfectly all right and serve a useful purpose, but it will not serve a useful purpose if we are taking work from courts that are not now busy and are giving it to a court that is fairly fully employed. I think my hon. friend will say that the Exchequer court is a fairly busy court. I am not saying that the judges are overworked, but they are busy, and sometimes there is a lot of work put upon them.

I do not suppose my hon. friend's view is that this in any way discharges the jurisdiction of the regular courts. I mean, does he think that the Crown ought to be put in bar of an action? In the case of a contract which to-day would not be sufficient in the opinion of the law to confer jurisdiction on the court itself, because the jurisdiction cannot be conferred by agreement—my hon. friend gets around that by his admendment—would he think it proper that this jurisdiction so conferred should be treated in bar of an action in one of the regular courts; in other words, as something which would oust the jurisdiction of the regular courts?

Mr. LAPOINTE: I am afraid my hon. friend thinks that this will be a bar to a regular proceedings before a court which has jurisdiction to-day. This merely gives the Exchequer court jurisdiction which it does not possess, or which it is doubtful if it possesses. I may say to my hon. friend that this feature of additional work being imposed on the Exchequer court has been fully considered. We do not think that there will be such additional amount of work as to cause a congestion.

Sir HENRY DRAYTON: Has the matter been considered with the judges of that court?

Mr. LAPOINTE: I could not say.

Mr. CALDWELL: What tribunal deals now with the cases that are to be referred to the Exchequer court under this bill?

Mr. LAPOINTE: The ordinary high court in every province.

Mr. CALDWELL: Have they competent jurisdiction at the present time in such cases?

Mr. LAPOINTE: Yes.

Mr. CALDWELL: And there is a question as to whether the Exchequer court has jurisdiction or not?

Mr. LAPOINTE: Yes.

Mr. BAXTER: I followed the minister's explanation, and really I see no objection to giving the Exchequer court jurisdiction in regard to the class of subjects he has enumerated. But there is something here that puzzles me, and I doubt if it has been put in intentionally. The Crown and the person agree—to what? That the Crown or such person shall pay to any person or to the Crown an amount of money to be determined by the Exchequer court. It says that the Crown or such person shall pay to any person. I cannot understand how a case could possibly come up where the Crown and an individual would agree in writing that the Exchequer court should determine that an individual should pay to some other individual. I do not think that that could ever have been intended.

I think now I shall wait until the impertinent member stops interfering with the minister. It is discourteous to the member addressing the House, and only an hon. member of—

The CHAIRMAN: Order.

Mr. McMASTER: I would draw the attention of the Chair to the fact that those who are removed more than a rod from the gentlemen who are discussing matters in this House cannot hear a word that is being said.

An hon. MEMBER: How long is a rod?

Mr. McMASTER: "Sixteen and a half feet, one rod, pole or perch."

Mr. BAXTER: When hon. gentlemen are all through talking I shall proceed with my discussion with the minister.

The CHAIRMAN: Shall the clause carry?

Mr. BAXTER: It is quite proper to check me for remarks I have made with reference to another hon. member, but at the same time I have a right to be heard, which right some hon. gentlemen would not accord me. I am speaking on rather an important point, and I doubt whether it has been brought to the minister's attention. I intend to bring it up now. I do not propose to have the whole Progressive party conversing at the same time that I am addressing the committee. It looks as if by a certain construction it might be possible for an agreement to be made between the Crown and some individual, by which the rights as between the individual and another would be determined by the Exchequer court. I do not think that is the function of the Exchequer court. I am heartily in accord with the minister in wishing to amplify the jurisdiction of the Exchequer court, so as to get rid of any technicality and utilize that court as a court of speedy and convenient resort in all possible disputes that occur between the subject and the Crown. But I do not think the minister wants any possible interpretation argued by which the rights of two individuals would be litigated in that court in a proceeding between the Crown and one of these individuals. Yet the drafting is open to that contention. I do not think this was intended.

Mr. LAPOINTE: I will take the matter into consideration.

Mr. BAXTER: I am quite willing that the bill should pass now and that the minister should look into it.

Mr. LAPOINTE: There are circumstances in which the Crown would not itself pay the amount which might be adjudicated to be paid in the Exchequer court by some other person. That might occur in the case of contractors on public works, where there is a power of expropriation. Damages might be caused to private property of other persons by works carried on by public contractors, and the Crown, though it is interested in the matter, might not ultimately pay the amount, which might be paid under the contract by the contractor himself. Still, it may be advisable to improve the wording of the clause, and if my hon. friend agrees, the bill might be put through committee and the third reading deferred.

Mr. BAXTER: I agree. In the case of a contract for a public work, where we have a contractor and a sub-contractor, there might be litigation with the Crown, and the amount payable to the sub-contractor might have to be dealt with in that litigation; and if it is intended that all those matters should be settled in the one action, I would have no objection to it, but I do not think it is clearly expressed.

Sir HENRY DRAYTON: I think my hon. friend omitted just one point in this dis-

cussion; and that is this is mere drafting, in view of the subsequent further explanation of the minister. It may be the intention to bind a man although that man does not consent.

Mr. LAPOINTE: I do not think so.

Sir HENRY DRAYTON: That is what was hinted at a moment ago.

Mr. LAPOINTE: Always subject to the condition that there is an agreement.

Sir HENRY DRAYTON: An agreement between one person and the Crown that either that person or the Crown shall pay to some other person or the Crown a sum of money. The other person is not a party to the agreement in this case at all. I do not think my hon. friend really wants it put in that form. It says:

Such person shall pay to any person or to the Crown an amount of money—

That other person is not a party to the agreement.

Mr. McMASTER: Then he would not be bound by it, in my opinion.

Sir HENRY DRAYTON: I do not know. If the jurisdiction is given to this court to fix the amount which some other person is to be paid, why is he not bound?—unless we are going to say at once that this is idle legislation. It may be entirely idle legislation. But the minister does not want that, he wants the legislation to be effective. I think the underlying idea is that no one is to be bound by this legislation, unless first, there is an agreement in writing.

Mr. LAPOINTE: Yes.

Sir HENRY DRAYTON: But that is not how it reads, as the hon. member for St. John (Mr. Baxter) pointed out. There are two parties to this agreement. The section says:

Such person shall pay to any person or to the Crown—

"Such person" mean the person who has agreed in writing.

There is a distinction between "such person" and "any person", because "such person" may have to pay the money to "any person." But "any person" is not a party to that agreement, but "such person" is a party. If the hon. gentleman looks at the section I think he will see that it is perfectly clear. Why not get it right? If what we want to do is to have it over cases only where everybody agrees, I should suggest that the section be worded;

The amount to be paid whenever the Crown and any person have agreed in writing that the Crown or such person shall pay to—

[Sir Henry Drayton.]

Then strike out the words "any person."

—the Crown or such person as the case may be an amount of money.

And so on. That confines the matter entirely to the people who have signed a contract. Of course a dozen persons may have signed, but as, under the Interpretation Act, the plural is covered as well as the singular, we need not worry about that phase of the question. The effect of that would be that no one could be bound in any way unless he signed the contract, and if on the other hand the interpretation of the hon. member for Brome (Mr. McMaster) was right that any person could do what he pleased, no matter what this legislation stated, it could not be said that we were passing an idle act. The question turns on what the minister really wants to do. Does he want to have a perfectly proper claim of a third person adjudicated upon by the Exchequer court because a contractor on one hand and the Crown on the other agree between themselves that the payment to this third party shall be made as a result of a reference to the Exchequer court although that party is not a party to the contract. Are we to look upon this legislation as creating a jurisdiction based entirely on agreement, so that any person whether he is liable to pay something or has rights to receive payments will have these claims considered and adjudicated on by the Exchequer court and be bound by the court's decision only if he is a party to the agreement?

Mr. BOYS: I agree with what has been said, and I would also point this out to the minister, that unless there is some definition, in the interpretation of the word "person," this would not apply to a corporation, and I venture to say that most of the agreements would be with corporations. An idea has struck me which I will offer to the minister for whatever it is worth, namely: That the section might be worded as follows:

The amount to be paid whenever the Crown and any person or persons or corporation have agreed in writing that the Crown or such person or corporation shall pay an amount—

I do not see any object in repeating the phrase, "to any person or to the Crown." The agreement will provide that a certain sum be paid, that sum to be ascertained by the Exchequer court. If you leave those words out, you avoid the confusion. But I think you should have after the words "any person" in the second line the word "persons" which would enable an agreement to be signed not only by the department or by a contractor, but by a sub-contractor, and I have not much doubt that the intention here is to include a

sub-contractor. He certainly could not or should not be included unless he was a party to the agreement. I gather that the minister has no thought of making this applicable to any person who is not a party to the agreement. If those changes were made, it seems to me that would meet the difficulty which the section, as drafted, appears to present.

Mr. GUTHRIE: Would the minister take time to consider redrafting this section? The explanatory note makes quite clear the object which the minister has in view. It says:

> The purpose of this amendment is to widen the jurisdiction of the Exchequer court so as to enable it to deal with any matters which the Crown may by agreement with any person commit to its jurisdiction.

The difficulty is that the clause, as drawn, provides for other persons who are not parties to the agreement, and the result will be that parties not parties to the agreement will be bound by the payment. I think there is something defective in the drafting. I can see quite easily the object which the minister has in view, but some time should be taken to consider redrafting.

Progress reported.

PRISONS AND REFORMATORIES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 120, to amend the Prisons and Reformatories Act.

He said: By certain sections of the Prisons and Reformatories Act introduced in 1913, there are special provisions for the provinces of Nova Scotia, New Brunswick and Prince Edward Island. When Protestant girls under sixteen years of age are brought before a court for certain offences which are mentioned in the act, the judge, instead of sending them to the common jail, may send them to a place called the Maritime Home for Girls at Truro, a sort of reformatory for girls. The province of New Brunswick has built and is operating a similar institution at Moncton called the Interprovincial Home for Women. This is to authorize a judge, when it is more convenient to send the girl to Moncton, to send her there rather than to Truro.

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

Mr. LAPOINTE moved the third reading of the bill.

Mr. HAROLD PUTNAM (Colchester): Mr. Speaker, I should like to express in a word my very earnest approval of the excellence of the Maritime Home for Girls which happens to be in Truro in my constituency and which has been mentioned by the hon. Minister of Justice. It is managed by Miss Strothard who is a young lady of superior education and attainments and of a peculiarly humane disposition, who understands human nature and who particularly understands the somewhat unfortunate girls who are sent to that home. This home, which is a combined home and school, is among the very best institutions of its kind in existence and it is meeting with very marked success. I do not want to take up the time of the House but I am bound to express my personal pride for my constituency in this regard; the institution has done exceedingly well and though still comparatively young has established a record which is enviable throughout eastern Canada.

Motion agreed to, and bill read the third time and passed.

GOLD AND SILVER MARKING ACT, 1913, AMENDMENT

Hon. T. A. LOW (Minister of Trade and Commerce) moved the second reading of Bill No. 176, to amend the Gold and Silver Marking Act, 1913.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 2—"Platinum" to be applied only to articles of defined component parts.

Sir HENRY DRAYTON: What is really being done in connection with the production of platinum at the present time? No doubt the minister is familiar with this subject. A lot of ore is leaving this country in which there is a comparatively large percentage of precious metal content. During the past few years it has been possible to win platinum commercially from nickel and a very large proportion of this metal has left the country along with the platinum that has been exported. Our ores are yielding a good many other valuable by-products besides platinum, but I believe that platinum is about the most important. Is this bill being introduced at the request of the producers of platinum? And if so what is being done in connection with that industry?

Mr. MACLEAN (York): Some years ago I asked in this House whether there had ever been disclosed to the people of Canada the information regarding the precious metal content of the nickel ore which was being exported from this country. That information has not yet been disclosed. We have absolute control of that nickel ore including the precious metals it contains and yet we are unable to find out what the percentage

of that precious metal content is. I believe that the Right Hon. Sir Arthur Mond, who has a considerable refining plant in Wales, takes a large amount of our nickel ore and refines it in the Old Country, and so far the Canadian people, who have absolute control of the nickel ore in this country, have been unable to ascertain the percentage of the precious metal content of the ore that is exported. It is high time the people got that information. Those who demanded it during the war were unable to get it and I hope that the minister will see to it that the facts are disclosed. I think the time has come when all this nickel ore should be refined in this country; we have absolute control of nickel, platinum and these other metals, and there is no reason why we should not know just what percentage of precious metals is leaving the country. There should be a policy to establish the refining of these metals in Canada; with our control of the ores, we could supply the whole world with nickel steel.

Mr. LOW: It would be better for the hon. member to put his question to the Minister of the Interior (Mr. Stewart, Argenteuil) who has charge of the Mines branch. He would no doubt be able to give the necessary information not only to my hon. friend but also to the ex-Minister of Finance (Sir Henry Drayton).

Mr. MACLEAN (York): Why does the minister not hold the bill, then, until he can get that information?

Mr. LOW: If the hon. gentleman presses for the information I shall be glad to hold the bill over.

Mr. MACLEAN (York): The minister might give the information on the third reading. The country would like to know why these precious metals are being exported when they should be refined in Canada.

Sir HENRY DRAYTON: I asked the minister pretty much the same question when the resolution was introduced and I thought that the information would now be available; I do not see why we should not have it. This legislation must be asked for by the people who are interested in platinum. We are producing platinum and we ought to know just what is being done; we ought to know what is the necessity for looking after this particular interest. After all, this question of marking and all that sort of thing, in the absence of real national interest, only means more or less trouble to the people who are engaged in the business; that is really all it means. I know that we are producing platinum to-day, and the minister also knows it perfectly well; he knows too that we are producing platinum out of nickel ore. At Deschenes with the electrical process we are winning in Canada such a proportion of precious metals as practically makes that process feasible; we are winning 4 per cent as against 2 per cent—a difference of 100 per cent—of nickel out of the ore by means of the new process. I am sure the minister must know something about this matter. If he does not he should not introduce legislation in regard to which all this information is absolutely necessary. He must satisfy himself that the bill is in the public interest, and he cannot do so unless he knows what the facts are.

Mr. LOW: This is an entirely different matter, and I am sure a very simple question on the order paper would elicit the necessary information.

Mr. GUTHRIE: Here is a question that is bothering me. I understand that the metal called platinum if pure to the extent of 950/1000ths might be marked as platinum under the provisions of this bill. That is, if it is pure metal to that extent. Then the last line says:

—and element platinum alone or in conjunction with iridium.

What proportion of iridium will be permitted in that mixture to entitle it to be marked as platinum? Will the minister describe what iridium is and how it is mixed with platinum?

Mr. LOW: I would say that 950/1000ths of the product would require to be platinum.

Mr. GUTHRIE: That is not the meaning of the bill according to the last clause.

Mr. LOW: I think so.

Sir HENRY DRAYTON: Perhaps my hon. friend will tell me who supplied this wording?

Mr. LOW: I told my hon. friend a few nights ago that at a gathering of the Canadian Jewellers' Association in the city of Windsor, at which about 400 members were present, it was requested by resolution that platinum be added to gold and silver in order that it might have the same protection as these precious metals. My hon. friend knows that if he were getting married to-day his fiancée would probably suggest that the wedding ring should be of platinum with a mixture of iridium in place of gold. It is therefore considered to be of equal value with gold.

Mr. MACLEAN (York): Mr. Chairman, I am again going to point out to the minister that to-day Canada has an absolute control of

the nickel supply of the world, and that associated with the nickel ore are other metals, called the "P" metals—platinum, palladium, polonium, iridium, and two or three others. I think it is time we should have information with regard to the location and quantity of these metals in the Dominion. There is no country in the world with such rich nickel deposits as ours, and nickel is becoming more and more essential in the manufacture of nickel steel. Having this monopoly, we ought to establish a nickel steel industry as a national policy, especially in view of the fact that modern warfare depends largely on nickel. This metal played a great part in the old war, and it may play a still greater part in the wars to come. This being so, in the interests of peace we ought to control our nickel deposits, and, if it is possible to do so, we should develop to its fullest extent the nickel steel industry in this country.

Mr. GUTHRIE: I am satisfied that the wording of the section is wrong and does not carry out the intention of the minister. The article may be styled "platinum" if it contains 950/1000ths of that metal. I understand that. Then the section continues:

—which said article consists either of the pure metal and element platinum alone—

I understand that.

—or in conjunction with iridium.

I submit that under this wording if 1 per cent of the article was platinum and 99 per cent iridium, it could be styled platinum. I am satisfied that the clause has not been drawn to carry out the idea of the minister himself. If he can explain it, all well and good, but it is meaningless to me in its present form.

Mr. LOW: If my hon. friend wishes, I shall be glad to allow the bill to stand over to enable him to satisfy himself on this point.

Mr. MACLEAN (York): Will the minister get the additional information I have asked for?

Mr. LOW: If my hon. friend will ask the Minister of Mines, he will no doubt supply him with the information.

Progress reported.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The House in committee of supply, Mr. Gordon in the chair.

Mail subsidies and steamship subventions—Pictou, Souris and the Magdalen islands, steam service between, $50,000.

Mr. MEIGHEN: Who has this contract?

Hon. T. A. LOW (Minister of Trade and Commerce): The Lovat Steamship Company.

Mr. MEIGHEN: I hope the government has not made a contract before the vote is passed, because I see the old amount was only $24,000; this is $50,000.

Mr. LOW: I suppose my right hon. friend knows that it has been the custom for years to make contracts in anticipation of the votes.

Mr. MEIGHEN: But not for double the vote.

Mr. LOW: I might point out that the population of these islands, numbering 7,000 people, is isolated for six months of the year. They import their coal and gasoline, and do a large fishing trade, and in order that they may be at no disadvantage compared with their neigbours in the United States it is necessary to improve the service. My right hon. friend will agree that these people who have communication with the mainland for only six months of the year should have a first class service. We found it impossible to give that service under the old conditions, consequently we provided for this increase. My right hon. friend will agree that I have endeavoured to cut the estimates for these subsides as low as possible. Although this service has been very much improved as a result of an increase of $26,000, on the whole I have saved a very large amount in these estimates.

Mr. MEIGHEN: The only savings up to now amount to some $2,300. This is an increase of $26,000. I see there are some appropriations not required; I presume some people are being abandoned altogether.

Mr. LOW: I do not agree with my right hon. friend when he suggests that there are only a few items amounting to a reduction of a couple of thousand dollars. The total decreases amount to $40,000.

Mr. MEIGHEN: I was referring to the items that had been passed. I know there are $42,000 not required.

Mr. LOW: It is scarcely fair to consider them item by item. I was speaking of the subsidies as a whole.

Mr. MEIGHEN: In the services that are being continued there is a very considerable increase. It seems strange that for 1924-25 it ought to take more to run boats than it did in 1923-24 or 1922-23, because costs have gone down. But this is a striking increase—$50,000 as against $24,000. What is the extra service being given? What was the defect in the last service?

Mr. LOW: I would remind my right hon. friend that we passed items involving decreases of $21,000 and $30,500. There are several other decreases amounting to several thousand dollars.

Mr. HARRIS: Was there a tender for this service?

Mr. LOW: Yes, tenders were called for.

Mr. MEIGHEN: Will the minister say that tenders were asked for in this case, and would he tell us what tenders were received?

Mr. LOW: Three tenders were received: from Magdalen Transports, Limited, Steamer R. W. Hendry, $24,000; William Fraser, new steamer to be built specially for the route, $50,000; Messrs. Young and Burchell, of Sydney, Nova Scotia, new steamer to be built, $50,000.

Mr. MEIGHEN: The minister took the highest.

Mr. LOW: The first tender was the same as before, which had been reported as unsatisfactory.

Mr. HARRIS: In what respect was it unsatisfactory?

Mr. MEIGHEN: It looks rather bad to have a tender from a company which had a steamer built specially for the route. I do not know who would build a steamer specially for the route, unless he knew he was going to get it and knew what he was going to get out of it.

Mr. LOW: The boat was entirely too slow and there was very poor accommodation for passengers.

Mr. HARRIS: What benefit are we going to get for this extra $26,000?

Mr. LOW: I have succeeded in saving a greater amount than that. We have saved $65,000, which would leave a net amount of about $40,000.

Mr. MEIGHEN: Is it incumbent on the government to see that whatever it saves on one route it gets rid of on another? We are considering this one item. The minister got three tenders, two at $50,000 and one at $24,000, and he accepted the $50,000 one. He says that was accepted from a company which built the steamer especially for the purpose. The minister read out from his memorandum that this steamer was built specially for the purpose. Now what provision had the owners of the steamer that they were going to get this contract?

[Mr. Meighen.]

Mr. LOW: The memorandum says, "to be built." The steamer was to be built specially for the route.

Mr. MEIGHEN: It does not look very good.

Mr. LOW: I think it looks first rate. I am anxious to give the people of the Magdalen islands the very best service possible.

Mr. HARRIS: On which items is a saving made of $65,000?

Mr. LOW: If my hon. friend will look over the estimates on page 44, he will see at a glance. It is hardly fair to ask me to give the items in detail when they are before my hon. friend.

Mr. MEIGHEN: I have a recollection that I saw an advertisement of a company issuing bonds for the amount stated here, in which advertisement assurance was given that the government was going to give them this steamship route. Has the minister seen that advertisement?

Mr. LOW: No, I have not seen it, and it does not matter how they raise their money. I know they had the contract at that time.

Mr. MEIGHEN: I am pretty sure this is the one. I am going to find out.

Mr. LOW: I have heard of the advertisement, but I did not see it. It was issued after we had given them the contract.

Mr. KENNEDY (Edmonton): How many people are served by this steamship service?

Mr. LOW: I stated in my opening remarks that there were about 7,000 people on these islands. They have a service during the summer for six months, and for the other six months of the year they are isolated from the mainland.

Mr. KENNEDY (Edmonton): What will be the probable amount of freight in tons, and the number of passengers carried?

Mr. LOW: The total number of passengers carried last year was 1,675; total tons of freight carried 4,009; live stock 70; mails: locked bags, 2,734; tied sacks, 1,902.

Mr. HARRIS: How many years will this contract run?

Mr. LOW: Ten.

Mr. MEIGHEN: That is not usual, is it?

Mr. LOW: No, they are not usually made for ten years, but I think you will find contracts have been given before by my hon. friends for that length of time.

Mr. MEIGHEN: Not in one contract. It is extremely new to give a single contract for that length of time.

Mr. LOW: You could scarcely get a vessel owner to build a boat to meet the requirements if the contract was for any shorter time.

Mr. KENNEDY (Edmonton): What is the distance between the ports, and how frequent is the service?

Mr. LOW: The service is twice a week. It is seventy miles to Souris, and fifty miles to Pictou.

Mr. HARRIS: That is, one hundred and twenty miles altogether?

Mr. LOW: Yes.

Mr. HARRIS: When was the contract let?

Mr. LOW: April 17, 1923.

Mr. MEIGHEN: Why, the minister's estimate would be passed a good while after that. Why did not the minister come down with an estimate to cover it and tell the House the facts? The minister, I know, was not in office then, but he only had $24,000 put through, and all the time he had a contract made for $50,000 with a good party supporter in Pictou.

Mr. LOW: The officer informs me the contract was made on August 22, 1923, not April.

Mr. MEIGHEN: Who are the members of this firm that got this $50,000 contract?

Mr. LOW: The contract was awarded to William Fraser and the steamship company to whom the contract has been transferred is called the Lovat Steamship Company.

Mr. MEIGHEN: Mr. Fraser made the contract?

Mr. LOW: Yes.

Mr. MEIGHEN: Does the minister know who he is?

Mr. LOW: He has been a contractor for several years, and is a resident—

Mr. MEIGHEN: A resident of where?

Mr. LOW: —of Nova Scotia.

Mr. MEIGHEN: Pictou?

Mr. LOW: Yes.

Mr. MEIGHEN: I thought so. He is the right bower of the Minister of National Defence.

Mr. LOW: I am not prepared to say whether he is the right or the left bower.

Mr. HARRIS: Where was this $65,000 saved? Would the minister just indicate the number of the votes?

Mr. LOW: If my hon. friend will turn to page 44 he will find two columns headed "Increase" and "Decrease" respectively and if he will follow those down he will find savings as follows:

Item No.	Amount
172	$21,000
173	30,509
190	1,000
192	1,300
207	1,000
209	500

I am sure that nothing could be made clearer. The information is set out so that hon. members can get the information at a glance. I referred my hon. friend to page 44 before, and it was a very simple matter for him to have looked over these items himself.

Mr. MEIGHEN: The minister wants us to be impressed with the fact that he has been very diligent in saving up a little money for Mr. Fraser. I read as follows from the Lovat Steamship Company prospectus. This is dated the 1st of October, 1923:

> The ship is being built in compliance with a subsidy contract entered into between Mr. William Fraser and the government of the Dominion of Canada, under which the contractor is entitled to a subsidy of $50,000, payable annually for ten years commencing with the opening of navigation in 1924. Payments under this subsidy will extend beyond the longest maturity of the bonds. All payments under the subsidy are to be assigned to the company, and by the company to the trustee, and the trust deed will provide that from these moneys the trustee will in each year pay the amount of the interest and principal payable in that year.
>
> Based on earnings from operation of the existing steamship service between Pictou and the Magdalen Islands for the years 1922 and 1923, with subsidies at $29,000 and $24,000 respectively—

I draw the minister's attention to the fact that last year the minister evidently considered the service too good, and had the subsidy reduced from $29,000 to $24,000. Evidently there was a different contractor then. It goes on:

> —it is estimated that the company's annual earnings will be not less than $36,000, available for interest and serial maturities of these bonds, which is at the rate of over three times the largest amount of interest payable in any year, and approximately one and two-fifths times the largest amount required in any year to pay interest on serial maturities. This estimate is arrived at without making any allowance for the very substantial increase in revenue which is expected consequent upon the greatly improved and enlarged passenger accommodation, and approximately fifty per cent greater cargo carrying capacity. The management will be in the hands of Mr. William Fraser—

It will be noted it is not put in the hands of the Minister of National Defence.

—of Pictou, N.S., as president and managing director. The Magdalen Islands are part of the province of Quebec. The population is approximately 7,000 and the islands support one of the most prosperous fishing communities on the Atlantic coast. The service which the Lovat Steamship Company, Limited, will operate is the only regular means of transport between the islands and the mainland, and this service will be operated practically without competition. Under its operating contract with the government the company has the right, with the approval of the Minister of Trade and Commerce, to make direct fortnightly trips between Halifax and the Magdalen Islands, calling at Souris, Prince Edward Island, both ways. The estimate of earnings does not take into consideration this additional source of revenue.

It is quite clear that very generous treatment was afforded Mr. Fraser, and also clear that there was virtually no competition whatever in the letting of the contract. I would like to have some particulars as to who that other contractor was, and particulars also as to just what service was given, what the speed was, and how often the calls were made under the late contract, and why when a reduction was made the year before from $29,000 to $24,000 the minister suddenly felt he ought to pay $50,000 to Mr. William Fraser.

Mr. LOW: The amount of the subsidy paid was never $29,000.

Mr. MEIGHEN: It is so stated here.

Mr. LOW: My right hon. friend knows very well that in these advertisements they put forward the very best side of the case, when bonds are offered for sale. He asks: Why did the minister reduce the estimate in the year 1923 by $5,000? I think that bears out the reason why he increased it the following year. It was the same minister who reduced the amount by $5,000 in 1923 who increased it to $50,000 within twelve months. Personally I had nothing to do with the contract.

Mr. MEIGHEN: I know that.

Mr. LOW: I signed it the day I came into office. The Magdalen Islands have a population of 7,000 which is growing all the time, and they ask the country for the very best service. There is not one word in anything my hon. friend has read in that advertisement which condemns this government or would tend in that direction.

Mr. MEIGHEN: It is not likely they would condemn the government when they were getting the contract.

Mr. LOW: The hon. member has read the advertisement for the purpose of condemning the government. There is not one word of condemnation, but there is every evidence in that advertisement to show that the government were justified in making the increase in this subsidy. If the trade is going to be increased by fifty per cent and the passenger trade increased by one hundred per cent, is it not money well spent? We are spending thousands of dollars on railways in different parts of the country. Why? To increase the trade of the country and the volume of traffic in every way. My hon. friend has read to this House an article that bears out the statement made early in the day that the government were justified in increasing this subsidy and placing a first-class boat on this service.

Sir HENRY DRAYTON: We have to get down to the justification for the change at all, before we talk about justification of an item of $26,000 a year. We have been making a departure from what I think is a general rule of passing these votes annually, so that we are now faced with an increase of $260,000 in connection with this service;—it is a ten-year contract.

Mr. LOW: It is spread over ten years.

Sir HENRY DRAYTON: Yes. Has my hon. friend any more ten-year contracts? Or is there any contract for any length of time for these short routes?

Mr. LOW: We will look it up.

Sir HENRY DRAYTON: Did the minister have any precedent before him when he saw himself signing that ten-year contract? I am just asking for information. I do not know what is being done. I have never been in that department, but if that is the practice I think we should know about it.

Mr. LOW: When calling for tenders the contractor is asked to state the minimum number of years for which he will accept the contract. Both these contracts are for ten years to provide the service required.

Sir HENRY DRAYTON: So that we have ten years suggested by the contractor. How many years did the man who got the $24,000 contract want?

Mr. LOW: One year, for this service.

Sir HENRY DRAYTON: Is it a habit of the department to put in the number of years? Is the usual practice of the department to allow the tenderers simply to say how many years they wish to have the guarantee?

Mr. LOW: That has been a part of the tender for many years.

Sir HENRY DRAYTON: On short routes like this?

Mr. LOW: On all routes.

Sir HENRY DRAYTON: On what authority is it done? What act enables the government of this country to bind parliament? What permits this session to compel the next session of parliament to vote $50,000?

Mr. GRAHAM: It is all subject to the vote of parliament.

Mr. LOW: All these items are subject to the vote of parliament.

Sir HENRY DRAYTON: I know, but while that is true in one sense, in another sense it is not correct. I think everybody realizes that if it were stated that we were not getting value for these services, we would at once be met with the argument that the country is obligated and the country's honour is involved.

Mr. LOW: I suppose my hon. friend knows that there is a clause in every contract which provides that unless the vote is passed by parliament the contract becomes null and void.

Sir HENRY DRAYTON: If we vote it this year, it is a contract which may be terminated next year?

Mr. LOW: It may be terminated any time.

Sir HENRY DRAYTON: All a man has is the good faith of the government—that the government will stand by its obligations, which are for a ten-year period?

Mr. LOW: Yes.

Sir HENRY DRAYTON: In connection with the other work which was unsatisfactory, I think we should have a statement made to the House as to what the old minimum schedule was and what the new minimum schedule will be. The government should tell us how much oftener these boats will run than they have been running in the past and what improvement there is in the actual movement.

Mr. LOW: It is an entirely different boat.

Sir HENRY DRAYTON: We have an entirely different boat, but there is no improvement in the service.

Mr. LOW: That is not correct.

Sir HENRY DRAYTON: Well, there is no improvement whatever in the frequency of the service. The hours are just the same. What is the next step? Has the department any particulars of freight left because the boat was unable to carry it?

Mr. LOW: Yes, we have some.

Sir HENRY DRAYTON: The deputy might look it up for the minister.

Mr. LOW: That was the year 1919. The islanders were in danger of starvation, not having received their supplies of flour and oil for the winter.

Sir HENRY DRAYTON: My recollection is that that had nothing whatever to do with the ship at that time. If we have to go back four years in order to find an excuse for the government, we are working pretty hard to help them. If I remember rightly there were ice troubles in 1919 and there was a great deal of difficulty, not only at this point, but at other points. Let us get down to something within reasonable hailing distance. What were the troubles in the year last past?

Mr. LOW: I think I stated to my hon. friend that this boat had not proper passenger accommodation.

Sir HENRY DRAYTON: I was dealing with freight for the moment. During the whole of last year what freight was left that the boat could not look after?

Mr. LOW: I have no record.

Sir HENY DRAYTON: Then I think we can take it that as regards freight there is no excuse at all. What is the length of the trip for the passengers?

Mr. LOW: About fifteen hours in good weather. I might add to that statement that this old boat would take about thirty hours in bad weather.

Sir HENRY DRAYTON: What is the difference in tonnage between the two boats?

Mr. LOW: The tonnage of the old boat was 439 gross. The new boat has not been measured and I cannot give the tonnage. She will be bigger of course.

Sir HENRY DRAYTON: What was the result of last year's business on the old boat?

Mr. LOW: The old boat had a profit of about $3,000 or equivalent to about 2½ per cent on the capital investment.

Sir HENRY DRAYTON: Some newspapers in that part of the country are unkind enough to look upon this as a political deal of a questionable character and to say that there were no advertisements for tenders at all.

Mr. LOW: My right hon. friend has just read an advertisement.

Sir HENRY DRAYTON: But that was an advertisement boasting about their excellent contract, about their $50,000 a year. That is not the trouble. The local papers said that there was no advertisement at all for tenders. I think we should set that rumour right.

Mr. LOW: It has been the custom of the department for many years not to advertise for tenders, but to address a tender to each ship owner in the Maritime provinces.

Sir HENRY DRAYTON: Then the local paper is correct in saying that there was no advertisement for tenders. What sort of letter was written to those people and to whom were those letters sent?

Mr. LOW: I have not a copy of the letter, but I shall be glad to submit it to the committee before we finish with this item. I will send for it.

Mr. MEIGHEN: The minister will admit that prior to 1923 this work was done for a considerably less figure still.

Mr. LOW: In an inferior way.

Mr. MEIGHEN: The last estimate provided only $20,000 for it.

Mr. LOW: I presume my right hon. friend knows that the company went bankrupt.

Mr. MEIGHEN: I have no information to that effect. In fact, my information is quite to the contrary, that the company did very well.

Mr. LOW: The company that had the contract went bankrupt, that is the company to which my right hon. friend refers as receiving $20,000.

Mr. MEIGHEN: When did it go bankrupt?

Mr. LOW: In 1920.

Mr. MEIGHEN: This estimate happens to be for 1922.

Mr. LOW: I was only taking it from the figure quoted by my right hon. friend, $20,000.

Mr. MEIGHEN: The minister is wrong.

Mr. LOW: The minister is not wrong. The firm that received $20,000 went bankrupt.

Mr. MEIGHEN: It was getting $20,000 some two years after the minister said that it had gone bankrupt. The steamship company was in operation while it was getting $20,000 to which I have referred, and I have information, which I do not think he will contradict, that it was doing very well.

[Sir Henry Drayton.]

Mr. LOW: The last year that that company received a subsidy of $20,000, the year 1920-21, that company went bankrupt. As a matter of fact, the steamer was seized for debt, and the next year my right hon. friend voted $24,000, an increase of $4,000.

Mr. MEIGHEN: What year?

Mr. LOW: 1921.

Mr. MEIGHEN: I have the estimates for 1921 and it is only $20,000.

Mr. LOW: I have a statement here. If my right hon. friend will look back he will find that he usually had Supplementary Estimates to bring down later on. If he will add the supplementary item to the original estimate, he will find that the amount was $24,000.

Mr. MEIGHEN: Does the minister say that for the year 1922 there was a supplementary estimate for $4,000?

Mr. LOW: I am speaking of 1921.

Mr. MEIGHEN: But for 1922?

Mr. LOW: For 1922 the estimate was $24,000.

Mr. MEIGHEN: The minister does not follow me. The main estimate for 1922 is $20,000. I asked the minister if there was a supplementary estimate for that year?

Mr. LOW: During the session of 1921, my right hon. friend's government introduced an item for $24,000, the company that was paid $20,000 the previous year having gone bankrupt.

Mr. MEIGHEN: The minister has not answered the question yet. He should have the information there if there was a supplementary estimate. If there was not, he is wrong, because the main estimate was $20,000. Next year, what was the amount paid?

Mr. LOW: The same amount as the previous year. Last year, 1923, the amount was $24,000.

Mr. MEIGHEN: Will the minister say that the company did not do very well under that subsidy?

Mr. LOW: I have just stated that the profit was $3,000 odd which represented 2½ per cent on the capital invested.

Mr. MEIGHEN: Which year?

Mr. LOW: The boat cost $125,000 and the last report is for 1923 when they made $3,117.

Mr. MEIGHEN: What did they make the year before?

Mr. LOW: They made $8,290.

Mr. MEIGHEN: What percentage would that be?

Mr. LOW: That would be 6 per cent.

Mr. MEIGHEN: They were quite ready to continue at the same subsidy.

Mr. LOW: There is no doubt they were ready to continue at the same subsidy but we did not think that the service was a good one for 7,000 people isolated on an island for six months of the year.

Mr. MEIGHEN: They were getting the same in so far as the period of service was concerned; they were getting the same number per week. As far as the minister's information goes there was room for all passengers applying as well as for all freight, and there were no petitions.

Mr. LOW: The note I have on this matter is as follows:

The R. W. Hendry was very unsatisfactory, with poor passenger accommodation, and weak engines, which gave her a speed only of about 7 or 8 knots, instead of the 12 knots promised by the contractor. Constant complaints have been received against her from the islands, both direct and through their member of parliament, the Hon. Rodolphe Lemieux. Her contract, which was for five years, 1921 to 1925, was accordingly cancelled early in 1923, and tenders were called for.

My hon. friend must bear in mind that the last contract was given for five years as against one that existed before of one year. My hon. friend's government made it five years.

Mr. MEIGHEN: And you have doubled that.

Mr. LOW: My hon. friend gave a contract for five times the length of the other; we merely doubled the existing contract. If we had accepted the principle the previous government established we would have given a contract for twenty-five years.

Mr. MEIGHEN: My hon. friend's type of autocracy was just twice as bad as ours at its worst.

Mr. HARRIS: The minister informed me that part of $65,000 had been saved on the Pacific coast and apparently that is the reason for increasing the cost of service on the Atlantic. Has there been any increase in the population? The simple fact is that the minister's colleague happens to come from Pictou. Why not be honest and say outright that the reason for this boat is that the Minister of National Defence (Mr. Macdonald) comes from that part of the country and needs patronage?

Mr. MACDONALD (Pictou): I understand that there was a discussion of this item while I was engaged in the Redistribution committee, and my hon. friend's reference to myself shows that there is a great misapprehension regarding this matter. This service connects with the mainland, part of the constituency represented by His Honour the Speaker (Mr. Lemieux),—known as the Magdalen islands which form a part of Gaspé which is represented in the House by the Speaker. This service has been maintained for fifty years between these islands and the mainland and the steamer calls at a port in the county I represent. I am sorry that the Speaker is not in the House at the moment. The agreement in connection with this matter was made before I had the honour of a seat in the cabinet and it was made largely at the request of His Honour—

Mr. ROBB: And the Minister of Agriculture of the province of Quebec.

Mr. MACDONALD (Pictou):—and, as my colleague reminds me, of the Minister of Agriculture of the province of Quebec as well, Hon. Mr. Caron.

Mr. MARCIL (Bonaventure): Mr. Caron represents the Magdalen islands in the Quebec legislature.

Mr. MEIGHEN: I thought that possibly the Minister of Agriculture in this government (Mr. Motherwell) had something to do with it.

Sir HENRY DRAYTON: It is not as bad as that.

Mr. MACDONALD (Pictou): The people of the Magdalen islands are thrifty and progressive and they are largely engaged in the fisheries. Previous to the war there was maintained on the route a very fine boat, which rendered good service and for which a very large subsidy was paid. During the war, owing to the appropriation of practically all available vessels for war and other purposes, the service on this particular route deteriorated and the boat which replaced the former vessel was slow, unsafe and altogether most unsatisfactory. His Honour the Speaker and the Minister of Agriculture of the province of Quebec, supported by representatives of the local house, made certain representations, I understand, to the then minister, now Acting Minister of Finance (Mr. Robb), as to the desirability of securing a better boat. In consequence of those representations a subsidy was granted. It is quite impossible on the Atlantic seaboard, owing to the number of boats that were appropriated and which were

sold during the war, to obtain a satisfactory boat for service of this kind, and I understand that this contract was made with a view to having a boat specially built for the purpose. Personally I know very little about this matter, and I had very little to do with it. The provision was made not in the interests of the people in my constituency but for the accommodation of the people living on the Magdalen islands.

Mr. MEIGHEN: The minister would except Mr. Fraser when he says that it is not in the interests of the people of his constituency; it would be in the interests of Mr. Fraser.

Mr. MACDONALD (Pictou): Let me repeat that I did not know that this contract was made until the whole thing had been arranged. I was not in the government when the arrangement was made, and the mere fact that a gentleman named Fraser who lives in my constituency and who has been connected with the service in the past, received a contract from my right hon. friend's government, should not prohibit him from entering into a new contract for the purpose of providing a new boat.

Mr. HANSON: Does the hon. member suggest that the service requires the accommodation which is contemplated by the building of a new boat by the Lovat Steamship Company? It is true that the Hendry was not fit for the service; every one is agreed on that. She did not have the proper or necessary passenger accommodation, nor did she have the proper sanitary conveniences. But the department has gone out of its way to assist in financing the building of a new boat. Any one who is familiar with the newspapers in Nova Scotia—

Mr. LOW: In what way has the department gone out of its way to assist in the financing of the boat? We knew absolutely nothing about it.

Mr. HANSON: First of all the department has entered into a ten-year contract at more than double the preceding subsidy. The last subsidy was $24,000 and the contract was for five years.

Mr. LOW: The contract was only for one year in the first instance and my right hon. friend increased it to five years. Surely we are not to be condemned merely for having doubled the length of the last contract.

Mr. HANSON: I believe this matter will bear a good deal of scrutiny. In order to finance the building of the boat bonds were issued and sold by the Eastern Securities Company, and the subsidies under this contract were assigned as security for the bondholders. In that way they were able to finance the undertaking. Now, the government might as well have built the boat in the first instance and owned it. The effect of this arrangement will simply be that the country will in ten years have contributed $500,000, which, I am informed, will be more than the cost of the ship. The subsidy being spread over a period of ten years will cover the bond issue, and the bonds have been sold in eastern Canada on the strength of the subsidy and on nothing else. The whole thing looks to me as though the government were endeavouring to buy a boat for its friends, the Lovat Steamship Company, otherwise Mr. William Fraser of New Glasgow, and Mr. Ralph Hendry, the prospective Liberal candidate in the city of Halifax.

Mr. LOW: Mr. Hendry is not an officer of that company.

Mr. HANSON: He was an officer of the Lovat Steamship Company up to a very recent date.

Mr. LOW: I do not state it positively, but I am informed that he is not in the company now. But why should my hon. friend say that this subsidy is intended simply to assist political friends of the government? Would he say that the successful tenderer before was a political friend of the then government?

Mr. HANSON: No, he was an enemy.

Mr. MEIGHEN: We did not go on that principle.

Mr. HANSON: If the minister will look up the correspondence in connection with the subsidy contract he will find that representations were made to his department in 1923 that these gentlemen must have a ten-year contract in order to finance the building of the boat, and the department yielded to their representations, although as a matter of fact the service never was worth $50,000; the service is simply worth what was paid for it by previous governments. The best service ever rendered was by the Lady Sybil.

Mr. LOW: Let me remind my hon. friend that it has been the custom for years to ask tenderers to name the minimum number of years of the contract and the tenderers in this case named ten years. The other tenderer named a similar term.

Mr. HANSON: I have not a copy of the other tender, but it is quite apparent that this is a departure from the former practice; the contract for this service before was never for a ten-year period.

Mr. LOW: But there was a one-year contract for a number of years, which was eventually increased to five years, but not by this government.

Mr. HANSON: I suggest that this was made a ten-year contract in order to finance the building of the boat. I do not think that these subsidies should be on such a scale as to render it possible.

Mr. SINCLAIR (Queen's): Mr. Chairman, I think my hon. friend should give consideration to the size of the boat and the speed required, when he will readily see that the subsidy will not go far towards financing the building of the new boat. There was complaint of the service given by the old boat, which was small, only 400 tons. The new boat is to be about 700 tons, and will require more power to drive her. She is also to have passenger accommodation, which the old boat did not have. All of us who have had any experience in the running of boats know that the largest item of expense is coal, and when you double the size of the boat and double her speed, it is obvious that the increased expense will amply warrant the increase in subsidy. The old boat could not make the trip under thirty hours; this boat is supposed to make it in fifteen.

Mr. MEIGHEN: Why does the minister say that the old boat took thirty hours to make the trip while the new boat will make it in fifteen?

Mr. SINCLAIR (Queen's): I am quoting the statement made by the minister.

Mr. MEIGHEN: He said the old boat took fifteen hours in good weather and thirty hours in bad.

Sir HENRY DRAYTON: And he never said what the speed of the new boat would be.

Mr. HANSON: What the hon. member for Queen's says is very plausible, but let me point out what the Eastern Securities Company gave to the public last spring.

Mr. LOW: In order to save time, I may inform my hon. friend that we have already had it read to the House.

Mr. HANSON: I am glad it was read, but I was not here.

Mr. MEIGHEN: It will bear repetition.

Mr. HANSON: Like the hon. Minister of National Defence, I was attending to my duties on the Redistribution bill. According to the prospectus, the new steamship was being constructed in Paisley, Scotland, under contract for the opening of navigation in 1924. The underwriters state:

> This ship is being built in compliance with a subsidy contract—

Mr. LOW: We have heard it before.

Mr. HANSON: You will hear it again, please.

> —entered into between Mr. William Fraser and the government of the Dominion of Canada.

I may say that the subsidy contract has been assigned to the Lovat Steamship Company.

> —under which the contractor is entitled to an annual subsidy of $50,000, payable annually for ten years, commencing with the opening of navigation in 1924. The payments under this subsidy will extend beyond the longest maturity of the bonds.

That is to say, the subsidy will finance the proposal.

> All payments under the subsidy are to be assigned to the company and by the company to the trustee, and the trust deed will provide that from these moneys the trustee will in each year pay the amount of the interest and principal that may be payable in that year and will pay over the balance remaining to the company.

I submit that although this seems to be a profitable arrangement for the company, it is not in the interests of the Dominion exchequer, and that the subsidy is altogether too large for the service. It may be that the boat is too big for the service, but the net result will be that out of the subsidy the owners will own the boat and besides will have had a substantial profit.

Mr. SINCLAIR (Queen's): Does my hon. friend mean to insinuate that you can get a company to operate a boat without profit?

Mr. HANSON: That does not require answering.

Mr. SINCLAIR (Queen's): No, I do not think it does.

Mr. MEIGHEN: Before the Minister of National Defence came in the Minister of Trade and Commerce stated that he did not know whether or not Mr. Fraser was the right or left bower of the Minister of Defence.

Mr. LOW: No, my right hon. friend suggested that Mr. Fraser was the right bower of the minister. I said I did not know whether he was his right or left bower.

Mr. MEIGHEN: Yes. Maybe we can get which he was from the minister.

Mr. MACDONALD (Pictou): He is neither.

Mr. HANSON: He may be the joker, and take all the tricks.

Mr. CASGRAIN: I was not present when this discussion started, but I find there is apparently an increase of $26,000 in this vote. I have no objection to the increase if it is necessary to better the service in question. But last year and preceding years I had occasion to interview the Minister of Trade and Commerce on the necessity of establishing a winter service between Murray Bay and Tadoussac in my constituency, and at that time numerous petitions and telegrams were forwarded to the government by people living in that part of the country urging the establishment of such a service. As a matter of fact, a few years ago when I was in opposition I succeeded in obtaining from the late government a service during 1920 and 1921.

Mr. MEIGHEN: Hear, hear.

Mr. CASGRAIN: But the service was discontinued when the steamer Champlain was sold. When I made representations to the government for the resumption of the service the hon. minister told me that this year there was not enough money available to finance such a proposal. The subsidy was a very small one, running to about $15,000 or $20,000, but we were given to understand that there was not enough money available to establish that service. How is it then, that money is found to increase so largely the service given under this item in another province?

Sir HENRY DRAYTON: Perhaps the hon. member did not know exactly how to go about it. He should go to somebody in the business who understands this sort of thing. He should go to Mr. Fraser, or somebody like Mr. Fraser.

Mr. CASGRAIN: I will go to the head of the department and those who are responsible. I do not go to outsiders.

Sir HENRY DRAYTON: There is a good deal in what my hon. friend says. There is a section which is not reached by any railway communication, although it is fairly well populated. Tadoussac is entirely cut off; the people there have to cross the Saguenay, which is extremely difficult at all times, and during part of the year practically impossible.

Mr. CANNON: That section does not count.

Sir HENRY DRAYTON: Apparently not, but I think it ought to.

Mr. CANNON: I think so myself.

[Mr. E. M. Macdonald.]

Sir HENRY DRAYTON: I happened to have something to do with seeing that a service was given there. When I was at Tadoussac in 1919—and a charming and picturesque place it is—I found the people unanimous in the view that something should be done. Rightly or wrongly I thought there was a place where service should be given, and we supported that view and acted accordingly. It was really a smaller matter than my hon. friend thinks. On the other side of the river we have the Intercolonial railway; further up the river we have the branch running down to Murray Bay. As I recall it we used to maintain a service on the south side of the river. When I went there I found that the Champlain was not doing very much and that she might just as well give this service as not. The result was that mails were got in, contact with the outside world was kept up, and the cost was small. I regret to hear that that service has been discontinued.

Mr. LOW: I have no objection to stating exactly what I said to the hon. member (Mr. Casgrain) in regard to this matter. It is true that he called at my office and asked for a subsidy varying from $25,000 to $40,000 a year. He asked me to open up a new service but I told him that in the present state of the finances of the country we hesitated to do that, and I declined to agree to the subsidy. I think the committee will bear me out in that stand. These subsidies that have been granted for forty or fifty years we appear to have to continue. For some reason, once a subsidy is granted it must be kept up; at least it has been the custom of governments in the past to continue them. I told my hon. friend that when the finances of the country were in a better condition I would be very glad to look into the matter, and if it is my pleasure to be in charge of the Trade and Commerce department when that time comes I shall be only too pleased to give consideration to the request he has made.

Mr. CASGRAIN: When do you expect that will be?

Mr. MEIGHEN: The minister now takes the ground that once a route is established it has got to stay and if it is not established the people have got to do without anything until the country gets richer.

Mr. LOW: No, I do not take that stand. I say that once we grant a subsidy, in almost every case it has to remain. Certain subsidies have been cut off, but it is very hard

to eliminate them. My right hon friend will know that from experience; once the people in any part of the country get a certain thing they seem to take it for granted that it is going to continue for all time.

Mr. MEIGHEN: It is difficult, I know, to discontinue a subsidy, but surely it would be better to maintain a subsidy and a service on a basis that has proved good enough for years rather than to double that at the price of denying other people any means of getting in and out at all. I have pointed out that in his own estimates the minister has $42,000 abandoned; I will ask later what this $42,000 was applied to previously. I know something about the Tadoussac service, although the route was established before I came in and consequently the petition was not presented to me. But I hope I will be forgiven if I call attention to something the late government did undertake on behalf of that district, in the face of the bitterest possible antagonism from some hon members whom I see in front of me now. I refer to the extension of railway service into that district, the rescue from wreckage of the Quebec and Charlevoix railway and the placing of it in a position actually to serve the whole north shore. I was glad to hear the generous words of the hon member (Mr. Casgrain) in the House on one of the branch line bills, in which he paid tribute to the excellent results that had been achieved by that policy I could not help thinking at the time of the attitude then taken by many hon. members who pretended to be very much concerned about the people of that district but who abused us for all the efforts we made to serve them; especially of the present Minister of Railways (Mr. Graham) who was so disgusted with what we were undertaking on behalf of the district that he rose in his place, declared that our conduct and our policy was reprehensible, and left the House.

Mr. HANSON: The chief objection I take to this subsidy contract is that it was entered into and negotiated by the minister or his predecessor in office long before the boat was in existence. Secondly, the boat in question, if she lives up to the advance notices, is far beyond what the service requires. This is a weekly service, as I understand it?

Mr. LOW: Twice a week.

Mr. HANSON: Well, does the minister say that in the winter a twice a week service is required?

Mr. LOW: I have already stated half a dozen times that the islands are isolated for six months of the year. I am sorry that the Redistribution committee is meeting this afternoon, otherwise the discussion on this item would be over by this time. Unfortunately each member of the committee as he comes in has to make a speech on the subject. I do not object to that, of course, but I am sorry those hon. members were not here.

Mr. HANSON: If the minister had been in the Redistribution committee instead of here, he might have made more progress with public business than he is making here. The government is financing the building of this boat, and that is contrary to public policy. What has the minister to say about it? The subsidy was granted to Mr. Fraser personally, and he thereupon organized a joint stock company and assigned the subsidy to the company, and then subsequently the subsidy was assigned to the trustee, under the trust deed, for the benefit of the bond holders and the prospectus of the underwriters says that this is going to pay the whole thing.

Mr. LOW: The prospectus also says, if my hon. friend had read a little further, that they hope the freight traffic will increase by 50 per cent, and the passenger traffic by 100 per cent.

Mr. MEIGHEN: But that is in addition to getting full pay for the boat from the government. That is velvet on top of the other.

Mr. LOW: We have control over the rates, and I am sure my hon. friend will agree with me that these people who are shut off from the mainland for six months of the year are entitled to the very best service we can give them during the months when there is an opportunity to communicate with the mainland.

Mr. HANSON: There is another feature, and that is the service between Pictou and Souris. Does the minister think it is good policy that there should be any more competition with the car ferry or the Prince Edward Island railway than there is to-day, and that the government should subsidize a private concern to enter into competition with the Canadian National Railways? That is a matter of policy upon which I would like to hear the minister express an opinion.

Mr. SINCLAIR (Queens): The call at Souris is a help to the Canadian National

Railways. A great deal of through traffic from the mainland goes to Souris and is picked up there by this boat and taken to the Magdalen island, and freight is taken back. It is benefit to the Canadian National Railways, rather than competition.

Mr. HANSON: That is freight for the Magdalen islands?

Mr. SINCLAIR (Queens): And freight for the mainland as well.

Mr. HANSON: I do not follow the argument.

Mr. MEIGHEN: How could it be for the mainland?

Mr. SINCLAIR (Queens): From the Magdalen islands.

Mr. HANSON: Is the minister serious in that? The broad gauge has not been extended to Souris.

Mr. SINCLAIR (Queens): But there is a railway there.

Mr. HANSON: With a narrow gauge, and the freight would have to be trans-shipped at Souris and handled again at Charlottetown.

Mr. SINCLAIR (Queens): It does not make any difference whether the railway is broad gauge or narrow gauge; it has to be trans-shipped from the boat to the railway just the same.

Mr. HANSON: But there would be no carload lots trans-shipped in that way.

Mr. SINCLAIR (Queens): It makes no difference.

Mr. HANSON: It means all this extra handling at Souris and again at Charlottetown. I would ask how much traffic goes that way from the Magdalen islands?

Mr. SINCLAIR (Queens): The extra handling does not add to the freight. The shipper gets the same rate.

Mr. HANSON: But it adds to the cost for the National Railways. I do not see how it is of any benefit to them. The National Railways could get the freight at Pictou.

Mr. LOW: This is a condition that exists, and there is no way of changing it.

Mr. MEIGHEN: The minister will have time between now and eight o'clock to bring down copies of the letters which were written to these ship owners inviting them to tender, so that we can get the names, the dates and so forth.

Mr. LOW: If the item carries I will agree to bring that down.

Mr. MEIGHEN: It will not carry now, until that is done, although I do not purpose myself delaying the passing of the item.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. LOW: Before the committee rose at six o'clock I promised the right hon. leader of the opposition that I would lay on the table a list of the parties to whom the forms calling for tenders were sent and a copy of the tender, and I now comply with that request.

Mr. MEIGHEN: I do not want the item to be passed till I have time to go through this list. What I have gone through is not very illuminating. The call for tenders was sent to the secretaries of the boards of trade of Quebec, Montreal, Halifax, Pictou and Charlottetown. I wonder whether they were sent to the hospitals in these places.

Mr. LOW: Surely my hon. friend would not object to having these forms sent to the secretaries of the boards of trade in these different cities?

Mr. MEIGHEN: I do not know what good it would do.

Mr. LOW: I suppose my hon. friend never had any dealings with boards of trade.

Mr. MEIGHEN: Not very much. I do not quite understand what they are sent there for. These forms were also sent to the Deputy Postmaster General at Ottawa, to the vice president of the Canadian National Railways, and to Mr. Teakle, manager of the Canadian Government Merchant Marine, in case he would want to build another boat probably. They were also sent to Major Bell. I do not know that very much information can be obtained from this list. However, I have not had time to go through it.

Mr. LOW: Twenty-five or thirty other names are mentioned.

Mr. MEIGHEN: I know that, but why they would be sent to these people I do not know.

Mr. LOW: I cannot understand my hon. friend objecting to them being sent to the secretaries of the boards of trade. They are some of the persons to whom the forms certainly should be sent.

Mr. MEIGHEN: I suggest to the minister that unless some hon. member wishes to discuss this item, he should go on with another item till I get time to read these papers. I cannot read them in a second.

Item stands.

Quebec, Natashquan and Harrington and other ports on the north shore of the gulf of St. Lawrence, steam service between, $85,000.

Mr. GUTHRIE: Better tell us something about this service?

Mr. LOW: This is a weekly service between Quebec and the north shore.

Mr. GUTHRIE: How long has it been in existence?

Mr. LOW: I have the record here for about ten years, but I understand the service has been in existence for twenty-five or thirty years.

Mr. PELLETIER: Who has this contract?

Mr. LOW: The Clarke Steamship Company.

Mr. PELLETIER: How many trips do they make during the season?

Mr. LOW: One trip a week.

Mr. PELLETIER: How much of this amount is being paid for the transportation of mails?

Mr. LOW: The boats are compelled to carry the mails free. There is no special item for the mail service. We insist upon them carrying the mails.

Mr. GUTHRIE: How many boats are there? The item is $85,000.

Mr. LOW: Two boats.

Mr. GUTHRIE: One trip a week?

Mr. LOW: Yes, it is a long trip.

Mr. DOUCET: How many trips is the boat supposed to make, in order to qualify for the subsidy?

Mr. LOW: One trip a week during the season of navigation.

Mr. DOUCET: Is there a check made on those trips?

Mr. LOW: Certainly.

Mr. DOUCET: My reason for bringing this matter before the committee is that I realize quite well that the people on the north shore are entitled to a good service but we often read in the press statements that they are not getting the service desired. If they get a weekly service while navigation is open there is certainly no cause for complaint. It seems to me that when the large sum of $85,000 is paid as a subsidy for that service pains should be taken to see that a weekly trip is made while navigation is open.

Mr. LOW: The customs officers certify to the number of trips.

Mr. GUTHRIE: I assume that the season of navigation does not last much more than six months, say twenty-five weeks. If the total number of trips made is twenty-five $85,000 seems to be a rather enormous subsidy.

Mr. LOW: Each trip is approximately 809 miles.

Mr. PELLETIER: When does this contract expire?

Mr. LOW: 1931.

Mr. PELLETIER: When was it made?

Mr. LOW: 1922.

Mr. PELLETIER: Is it customary for the department to give ten-year contracts?

Mr. LOW: It is done occasionally, but it is not customary.

Mr. MILLAR: In 1922 how many tenders were put in?

Mr. GUTHRIE: Who holds the contract?

Mr. LOW: The Clarke Steamship Company. The contract was running and the company agreed to improve the service.

Mr. PELLETIER: If the company make the trip on time, do they always make a trip each week?

Mr. LOW: Yes.

Mr. PELLETIER: Is the minister aware that last August the North Shore left the north shore with the mails, took a cargo and went to St. Pierre Miquelon? By doing that they were eight days late in arriving at Quebec. According to my information this has been done twice.

Mr. LOW: We have had no complaint about the service and if my hon. friend knew of any violation of the contract it was his duty to file a complaint.

Mr. PELLETIER: I learned of this just a short time ago, and even though I had known of it and had interviewed my hon. friend before the opening of this session, I do not believe it would have done me any good. I remember full well the occasion when I went to him to try to get a subsidy for a company that is now operating between Matane and the north shore. I am very sorry, but I must say that the way in which I was received could be compared with the treatment of a dog in a bowling alley. My hon. friend was so busy that he could not take time to listen to me so that I might tell him what I wanted. He told me that it was absolutely unnecessary for me to go to that trouble. I had petitions from different companies on the north shore, and he did not even give me an opportunity to show them to him. There were some from the Ontario Pulp and Paper Company, the St. Regis Paper Company and the Hudson's Bay Company. One of these petitions was signed by 89 others, and another by 62 others, and they asked that the mail be taken to Matane by rail and then from there by water to the north shore. The minister is giving a subsidy of $85,000 to the Clarke Steamship Company for the number of trips that they make and he has given them a contract for ten years, thereby eliminating any competitors for that period. We are now improving the harbour at Matane and making an attempt to serve those people and serve them well. Now that the people on the north shore are asking to come to Matane, I fail to see why the subsidy that I asked for cannot be granted. It seems to me that if my hon. friend will think this matter over and endeavour to be fair, as I hope he will be, and give the people who are asking for accommodation, the facilities they require, he will put into the supplementary estimates a certain amount so that the people who are now going from Matane to the north shore will have an opportunity of continuing their work. Will my hon. friend even dream of putting an amount in the supplementary estimates for that purpose?

Mr. LOW: I am sorry to hear an hon. member speak in that way because if there is one minister who tries to see everybody, it is the Minister of Trade and Commerce. I am sure, when I tell the committee that I had interviews on three different occasions with the hon. member, he cannot claim that he was shown any discourtesy. I did not turn him over to one of my officials, I spoke to him myself about the matter, as I always feel that members are anxious to interview the minister himself. If he did not have time to present his case, as he says he had not, in three visits, that is not my responsibility. I have upon every occasion shown the hon. member the greatest courtesy in anything that he has laid before me, and I am prepared to do so in the future as I have done in the past. The hon. member has absolutely no grounds for making the statement that I did not appear to have time to discuss the matter with him.

Mr. PELLETIER: Such is the case for I remember full well what occurred. The reason I applied to the minister was that I wanted to come to the assistance of the people of my district and the people on the north shore as well. As the matter stands to-day the freight is being taken down by rail on the Canadian National railway and on the Canada and Gulf Terminal railway to Matane, thence by water to the north shore. The mail is all being taken over to Matane. The other vessel is not taking it down from Quebec. These companies have boxes in the post office at Matane where they receive their mail and it is being taken across by our boats. The Clarke Steamship Company is receiving the subsidy and the others are doing the work. I do not believe that is altogether fair and just.

Mr. LOW: I drew to the attention of the hon. member at the time, as he will remember, the fact that there was a railway service to Matane; that a dock was being built by the government and that I thought in view of the expenditure that was being made in his riding, he should at least wait before pressing his request until the finances of the country were in a better condition than they are now.

Mr. PELLETIER: At the same time if what I asked had been granted to me, we would have come to the assistance of all those people and as well we would have aided in the development of that district.

Mr. LOW: I might also remind my hon. friend that if we had responded to all the claims we had from members of this House we probably should not have had a surplus this year.

Mr. MEIGHEN: That is the best joke yet.

Mr. GUTHRIE: Is it usual to let contracts of this kind for ten years? My impression is that steamship contracts are usually let for periods of from three to five years.

Mr. LOW: I have already stated at least six times to-day that it is not the usual thing to let these contracts for ten years, but the custom was established under my right hon. friend (Mr. Meighen).

Mr. MEIGHEN: Oh no. The minister cannot fetch one contract which was let for a period of ten years while we were in power.

Mr. LOW: As I pointed out to the leader of the opposition this afternoon, the contract was always let for one year previous to the time he came into power. His government made it five years and we merely doubled that. In other words, he increased the usual period five times whereas we simply double the length of time he established. It is not the usual thing to let these contracts for ten years; it is only under exceptional circumstances that this has been done.

Mr. GUTHRIE: This contract I understand was made in 1922, the first year this government was in power. What were the exceptional circumstances that made it necessary to increase the time to ten years? Will the minister at the same time say whether the Clarke Steamship Company is the same company which is operating in timber and pulp wood in Quebec?

Mr. LOW: I have no knowledge of that.

Mr. HANSON: What is the name of the ship?

Mr. LOW: There are two, the North Shore and the Labrador.

Mr. MILLAR: Can the minister answer my question now as to how many tenders were received when the contract was let? And what was the next highest tender?

Mr. LOW: The negotiations were carried on with the minister and the contract was renewed without tender.

Mr. MILLAR: That means that this contract was renewed for a longer period without tenders being called for?

Mr. LOW: It was negotiated by the former minister for ten years.

Mr. MILLAR: Without any tenders?

Mr. LOW: Yes. I might tell the hon. gentleman that these contracts contain a provision that parliament may decline to vote the amount any year.

Mr. MEIGHEN: That is a wonderful advantage for parliament to have, and it is astonishing that the minister should protect parliament in that way.

Mr. LOW: It is a protection for the people.

Mr. MEIGHEN: The minister is protectionist all right; he reserves to parliament the right to vote the money each year. The fact of the matter is that when a contract is made, especially in a case like this where bonds are sold on the strength of that contract, it is just as easy for the camel to pass through the eye of the needle as it is for parliament to get out of its undertaking. The predecessor of my hon. friend adopted the habit, and I presume that for similar reasons the rotating system is adopted of changing ministers before the next estimates come along so that the actual minister can plead that he is guiltless.

Mr. LOW: I am not pleading that at all; I am willing to stand behind the former minister.

Mr. MEIGHEN: That is all very well, but it is altogether different attacking a minister's successor from attacking the minister himself who did all these things. The government has entered into a contract for ten years, in all probability binding future governments, and in so doing it is launching upon a course which neither it nor anyone else can defend. A five year contract is wholly different; it can only extend a short time into the term of the ensuing government or parliament. But ten years is a comparatively indefinite period, and for the government to tie the hands of parliament for ten years is without any defence at all. I notice too that in calling for tenders the government does not say that the contract is for so many years; it is left open so that the government may take whichever contract it chooses and say it is the best. The whole thing is open for the government to put its hands upon its favourites here, there and everywhere. Here is a case in which the government renewed the contract for ten years.

Mr. LOW: Let me correct the hon. member before he goes further. During his regime there was used the same form of advertisement for tenders as is used to-day; the number of years was not stated in it but it was left to the contractor to say for how long he would undertake the service.

Mr. MEIGHEN: The minister knows that previous to this government's coming into

power no contract was ever let for a period of ten years; he himself admits that five years was the longest term of any contract up to that time. Now he has let a contract for ten years and he puts the advertisement in such shape that the government can fix a period of five or ten years as it sees fit; it can say that the advantage in having a contract for five years is that it will overcome some difficulty or other, or on the other hand that the ten-year contract will be advantageous in some other respect. As a matter of fact it simply does away with competition.

Mr. LOW: I would ask my right hon. friend whether it is better to have a wide open contract or one in which the number of years is stated.

Mr. MEIGHEN: Ordinarily the contract was just for one year.

Mr. DOUCET: It appears to me, as I think it should appear to the committee, that it must be very poor satisfaction to the people on that shore who could get a proper service from Matane to be told that, because the government which was in office prior to 1921 adopted a certain system, therefore it must now be followed. If the government previous to 1921 did not do what was exactly right in any respect there is no reason why this government should follow suit. If this contract had been let for five years only it would expire in 1927 and the department could then call for a new contract to give a satisfactory service to the people of Matane and Natashquan. As it is they are subsidizing this other route whereas a better service could be secured.

Mr. HANSON: Is it the policy of the department now when these contracts expire to renew them for periods of ten years? If that is not the policy, what is the justification in the case of this vote for the Magdalen islands service, no tenders having been called for? This is a matter of principle.

Mr. LOW: Let me correct the hon. gentleman; the contract was not let without a tender in the case of the Magdalen islands. It is not the policy of the government to renew contracts for ten years, but there are exceptional cases where the circumstances render contracts of that period unavoidable. The ordinary man will not invest a large sum of money in a service for only one year; he will undertake it only if he can secure a contract for a number of years.

[Mr. Meighen.]

Mr. HANSON: That is the statement with regard to the north shore service, which does require a good type of boat, and the North Shore is a splendid boat. But why a ten-year contract? Is it to suit the convenience of the contractor—a matter of assistance to him; or is it now the settled policy of the government in such cases?

Mr. LOW: Does my hon. friend say that the term was extended in order to assist some individual or company?

Mr. HANSON: Why it is all assistance. All these subsidies are assistance. What else are they?

Mr. LOW: These are the same contractors who were awarded the earlier contracts for this service by the previous government.

Mr. HANSON: In the case of the Magdalen islands boat the subsidy was not only to assist, it was to finance the whole undertaking. There is no doubt the bonds were sold on the strength of the subsidy and on nothing else; the underwriters would not have been able to sell the bonds otherwise, because the only guarantee that the bondholders would have that their interest would be paid regularly and the principal met at maturity was in the subsidy. And not only that, the subsidy itself is part of the security of the bondholders.

Mr. LOW: Surely my hon. friend will not charge the government with knowing anything about the bond issue at all. As a matter of fact I understand there has been a bond issue of $500,000, if I heard my hon. friend correctly this afternoon. The proceeds of that issue will help the contractors to carry out their contract. A short time ago I received a tender from well recognized shipowners who have been in receipt of the subsidy for the service to the West Indian islands for a number of years. If I remember rightly they asked that they be given a contract for ten years. We have the matter under consideration now. But it is not an unusual thing where a large amount is invested in the boat for a contractor to decline to assume the responsibility of such an investment as the capital required for a large boat, unless some assurance is forthcoming of a contract for a period of years.

Mr. HANSON: Apparently the minister is not very familiar with the details. If he confers with the officers of his department he will find that in the case of the Lovat Steamship Company the minister was consulted at every turn. As a matter of fact, he had given his consent to the assignment of the subsidy contract.

Mr. LOW: That is correct.

Mr. HANSON: The file shows that the department was kept informed of every step that was being taken. It contains a record of correspondence between the department and the solicitors of the underwriters with respect to the assignment of the subsidy as security for the bonds, so that the government might be said to have been parties to the whole transaction.

Mr. LOW: I know only of the letter asking us to agree to the assigning of the contract to the Lovat Steamship Company, and a further letter asking us if the assignment had been completed.

Mr. HANSON: Did not the minister have to consent?

Mr. CANNON: What contract is my hon. friend referring to.

Mr. HANSON: The contract with the Lovat Steamship Company.

Mr. LOW: Does my hon. friend not know that that item has been passed?

Mr. HANSON: When was the item passed?

The CHAIRMAN: The question is out of order; we are on item 203.

Mr. HANSON: Has 202 been passed?

The CHAIRMAN: No, it stands. Does 203 carry?

Item agreed to.

The CHAIRMAN: We will revert to item 202, Pictou, Souris and Magdalen islands, steam service between, $50,000.

Shall the item carry?

Mr. MEIGHEN: I was waiting for the hon. member for Charlevoix-Montmorency (Mr. Casgrain) to renew his protest.

Mr. CANNON. He has eaten since.

Mr. CASGRAIN: I have no objection to the vote passing. I am satisfied that I shall get the Murray Bay—Tadoussac service next year.

Mr. MEIGHEN: I thought something had happened.

Mr. CASGRAIN: Nothing has happened.

Mr. LOW: I have not had the pleasure of seeing my hon. friend since six o'clock.

Mr. MEIGHEN: It might be done otherwise; these transformations take place rapidly.

Mr. LOW: Not being familiar with politics, I do not know how such transformations are effected.

Mr. MEIGHEN: I have learned from observation. For how many years was the other tender of $50,000, and from whom?

Mr. LOW: Ten years; from Young and Burchell of Sydney.

Mr. MEIGHEN: For how long was the tender for $24,000?

Mr. LOW: One year. That was for the old boat.

Mr. MEIGHEN: Did the minister see what they would do it for if they got it for ten years with the chance to sell their bonds on the faith of the tender?

Mr. LOW: No purpose would have been served by such a course, the boat was not at all suitable for the service.

Mr. MEIGHEN: Did the boat comply with the stipulations which were sent out?

Mr. LOW: No.

Mr. MEIGHEN: In what respect did it not?

Mr. LOW: It was a very slow boat, seven or eight knots an hour.

Mr. MEIGHEN: What did the tender form specify?

Mr. LOW: The contract was for ten knots.

Mr. MEIGHEN: No; I am asking what did the request for tenders stipulate.

Mr. LOW: It did not so state, but the contract was specific.

Mr. MEIGHEN: Nothing was said in the request for tenders? They would not know what the contract was to be until after the tender had been accepted.

Mr. LOW: The department thought the boat offered by the former contractors was not suitable for the service and the terms of contract offered were not acceptable. It had the right to refuse the tender. The rejection of this boat for this service necessitated the original call for tenders. They undertook to operate at a speed of twelve knots per hour.

Mr. MEIGHEN: That is the tenderers?

Mr. LOW: No, the contractors under the contract.

Mr. MEIGHEN: Of course, doing business that way the minister can give the contract

to whom he likes. He asks for tenders, but he does not stipulate the speed of the boat. Then when he gets a tender offering to operate a boat at a certain speed, he puts in the contract that the boat must have that speed, and he awards that tenderer a ten-year contract at more than twice the rate that has prevailed for years. What traffic was carried this year? We have had this new boat in operation for considerably over a year now.

Mr. LOW: It is not in operation yet.

Mr. MEIGHEN: Oh, it is still being built?

Mr. LOW: Yes; the subsidy is being paid on the $24,000 basis.

Mr. MEIGHEN: According to the contract the boat should have been in operation. Surely things are not frozen up there yet?

Mr. LOW: The contractors are operating the service with the old boat until the new one is ready, at the same rate as heretofore, $24,000.

Mr. MEIGHEN: Then they have not fulfilled the contract. Under the contract they were to start with the new boat at the opening of navigation.

Mr. LOW: I suppose my right hon. friend knows that there have been several dock and shipbuilding strikes in Scotland which naturally delayed the building of the boat?

Mr. MEIGHEN: Can the minister tell us what freight and passengers were carried this past year? I want to see how the new boat gets along.

Mr. LOW: I gave the latest return to my hon. friend this afternoon. I think he will find it in Hansard to-morrow.

Mr. MEIGHEN: I never heard any return as to the passengers and freight carried, except for the years previous. For that year the figures were these: Passengers, 1,313; freight, 6,380 tons; live stock, 8; bags of mail, 4,063. The number of trips made was 59 and the subsidy paid $24,000. Can the minister give the corresponding figures for the year past.

Mr. LOW: I shall give the same figures that I gave this afternoon: Number of passengers carried, 1,675; tons of freight, carried, 4,009; live stock, 70; mail bags: locked, 2,734; tied sacks, 1,902.

Mr. MEIGHEN: Doing less business than the year before.

Mr. LOW: That is accounted for by the poor service—the very boat we have been discussing all afternoon.

[Mr. Meighen.]

Mr. MEIGHEN: I cannot understand it, because the year before it carried 6,380 tons of freight, this year 4,000 odd. If it could carry 6,000 the year before it could carry 6,000 this year if the freight was offered.

Mr. LOW: Last year it went by schooner and gasoline boat.

Mr. MEIGHEN: Has the minister any more of these contracts pending—$50,000 contracts to political favourites?

Mr. LOW: My hon. friend has a complete list of the subsidies that are proposed for this session. There may be a few in the supplementary estimates, but he has the main estimates before him.

Item agreed to.

Quebec or Montreal, and Gaspe and ports on the south shore of the gulf of St. Lawrence, steam service between, $30,000.

Mr. PELLETIER: Who has this contract?

Mr. LOW: The Clarke Steamship Company of Quebec.

Mr. PELLETIER: How many trips do they make a season?

Mr. LOW: Every two weeks.

Mr. PELLETIER: I learned on the 12th of May of this year that last summer they used this boat for service on the north shore to Cape Breton and left the people without accommodation in the district that they should have served. The Tremblay, plying between Quebec or Montreal and Gaspe, did the work. Is it fair that the Clarke Steamship Company should receive the subsidy while the other parties do the work?

Mr. LOW: The report received by the department indicates that the Clarke Steamship Company are giving a good service. The Clarke Steamship Company's boat is much superior to the other boat.

Mr. PELLETIER: Does my hon. friend know that when the Tremblay was built I got a subsidy of $8,500 for that same boat, to go from Montreal to Gaspe? Afterwards the Clarke people leased the Tremblay and did the work, so the boat was good. Why should it not be good now? A subsidy of $15,000 was asked for the Tremblay and was refused. Why pay $30,000 when the others are ready to do it for $15,000?

Mr. LOW: The passenger accommodation on the Tremblay is very poor. It is generally speaking an inferior boat to that operated by the Clarke Steamship Company, at least so our officers report.

Mr. PELLETIER: Seemingly the Tremblay was giving satisfaction when the Clarke people leased it.

Mr. LOW: The Tremblay was used simply because it was the best boat that could be obtained at that time.

Item agreed to.

Rimouski and Pointe aux Outardes, service between, $5,000.

Mr. MEIGHEN: Is this a new one?

Mr. LOW: The new contract commences this year.

Mr. MEIGHEN: Who was the member powerful enough to get a new service when my hon. friend (Mr. Casgrain) failed?

Mr. GAUVREAU: The need of the country.

Mr. LOW: This service was established last year.

Mr. MEIGHEN: It is a new contract, though. If it were the member for Temiscouata I could understand it, but he is not the member for Rimouski. What was the need for this new contract when there was none needed for Tadoussac?

Mr. LOW: The country is being developed rapidly and lumbering—

Mr. MEIGHEN: Is this the reward for speeches in Rimouski?

Mr. LOW: Speeches by myself? I have not made any down there.

Mr. CANNON: It is to facilitate my right hon. friend's trip when he comes to meet the local member.

Mr. MEIGHEN: That is very kind indeed. I hope, however, to be in the district and to disclose the simplicity of my life and the innocence of my character. I did read the last deliverance of the hon. member, but gauging it very much, I know, as the member for Dorchester did himself, I did not think it was worth a reply.

Mr. PELLETIER: This is a newly organized company, is it not?

Mr. LOW: It is a new contractor—J. A. Fafard.

Mr. PELLETIER: When was the contract given?

Mr. LOW: It is dated May 9, 1923.

Mr. PELLETIER: Is it not a fact that this company was organized only last winter?

Mr. LOW: I have no knowledge of the organization of any company.

Mr. PELLETIER: These people came here after the opening of the session, and I find it rather strange that my hon. friend would go sixty miles further to give a subsidy to a company while refusing me what I came here to ask of him three weeks before the opening of the session.

Mr. CASGRAIN: He refused me, too.

Mr. MEIGHEN: Cannot the minister answer the question?

Mr. LOW: What is the question?

Sir HENRY DRAYTON: Why is the hon. member for Matane being turned down? He did not put it in just those words, but that was the substance of his question. He said that he was here three weeks before the House opened, and that he had a first rate case, but got no consideration, and that somebody sixty miles further away, with no case at all, got consideration, and he is appealing to the minister.

Mr. LOW: The only answer I can give is that there is no political patronage in the department.

Mr. MEIGHEN: It appears not to be a case of looking after the constituency, but of the ministers looking after themselves.

Mr. LOW: Will my right hon. friend point to one case, just one, where the Minister of Trade and Commerce has looked after himself?

Mr. MEIGHEN: The Minister of Trade and Commerce has not any water in his riding, but the right bower case from Pictou looks suspiciously like it to me.

Item agreed to.

St. John and St. Andrews, calling at intermediate points, steam service between, $3,000.

Mr. HANSON: I notice a decrease of $1,000 in this item. I was not aware that the route was so profitable that the contractor could afford to get along with a reduced amount, but I commend the minister for saving $1,000 of the people's money. Is this the same company or a reorganized company?

Mr. LOW: The same company.

Mr. HANSON: I understand that it was current in the city of St. John and the county of Albert that the minister, or the department, had threatened to take away this subsidy altogether.

Mr. LOW: I told them they could have the contract at a reduction of $1,000. They threatened to withdraw, and I simply stood by my original decision.

Mr. HANSON: What were the considerations that moved the minister to reduce it by $1,000? I would like to know how well run the department is.

Mr. LOW: It is very simple. This company is showing a large profit, and I decided to cut down the subsidy.

Mr. HANSON: I think the minister is to be commended.

Item agreed to.

St. John and Bridgetown, steam service between, $1,000.

Mr. MEIGHEN: What company has this service?

Mr. LOW: The Bridgetown Steamship Company, of Bridgetown, N.S.

Mr. MEIGHEN: Oh, that is in Lunenburg county?

Mr. LOW: No, in Annapolis county. I suppose my hon. friend noticed a reduction there of $500.

Item agreed to.

St. John and Digby, steam service between, $15,000.

Mr. HANSON: Is this the Canadian Pacific line from St. John to Digby?

Mr. LOW: Yes.

Mr. HANSON: I never could understand why it was necessary to subsidize that line. It is part of the through Canadian Pacific route from Montreal to Nova Scotia, and I had always supposed from the very liberal patronage that the boat received
9 p.m. that it was a paying proposition; but I may be wrong about that. I quite agree that it is necessary to have a steamship service across the bay, and a daily service such as they give, and it is a very, very good service, but I cannot understand on what principle the subsidy is granted for that line. Is this in consideration of carrying the mails?

Mr. LOW: That is one of the considerations. I might point out that the Canadian Pacific have had this contract for a number of years, and each year it has shown a large loss. They were paid $20,000 at one time.

Item agreed to.

[Mr. Hanson.]

St. John, Digby, Annapolis, and Granville along the west coast of Annapolis Basin, steam service between, $2,000.

Mr. HANSON: What line is that?

Mr. LOW: The Valley Steamship Company, and the steamer is the Granville.

Item agreed to.

St. John and ports on the Bay of Fundy and Minas Basin, steam service between, $8,500.

Mr. HANSON: What boat is that, and between what points does she run?

Mr. LOW: The contractors are the St. John Steamship Company, and the steamer is the Glenholme. The service is between St. John and Windsor, calling each way at Canning, Wolfville and Cheverie.

Mr. HANSON: How often is the service performed?

Mr. LOW: It is a weekly service during navigation.

Mr. HANSON: For how many months?

Sir HENRY DRAYTON: It is all the year round there.

Mr. LOW: Not in the Bay of Fundy.

Mr. HANSON: That will be interesting news to the people of St. John, that the Bay of Fundy is not open all the year round.

Mr. LOW: A boat can get into St. John, but it would be impossible to reach these other points during the winter season.

Mr. HANSON: How many months in the year is the service operated?

Mr. LOW: About seven months.

Mr. HANSON: About how much per trip does it amount to?

Mr. LOW: The minimum number of trips is twenty-six.

Mr. CANNON: Why should every company leaving St. John get a subsidy? There is a whole row of companies here operating from St. John to different points and getting subsidies.

Mr. HANSON: St. John is a great metropolitan city.

Mr. CANNON: Then the traffic should be heavy enough for the boats to pay their own way.

Mr. HANSON: The benefit is not for St. John but for these little places in Nova Scotia.

Mr. CANNON: Why should they go to these little ports in Nova Scotia? They ought

to go to the larger ports and get freight and passengers enough to make the boats pay, instead of having to come to this government. In the province of Quebec we have not been able to get anything, on account of economy, but I notice the Maritime provinces get everything they want.

Mr. HANSON: Even an increase.

Mr. CANNON: Increases too. I think the whole system ought to be abolished.

Mr. BLACK (Halifax): A great many of these subsidies are granted, I understand, because the places touched by the steamer are not within reasonable distance of a railway. In the case under consideration, I understood the minister to say the connection was between St. John, Windsor, Wolfville and Canning. Now, it is well known that all these points are not only in daily touch with rail communication, but semi-daily, and it seems to me the necessity for an $8,500 subsidy for such a service does not exist.

Mr. LOW: I would ask my hon. friend if Maitland, Spencer's Island, Parrsboro, and Bass River can be reached by rail.

Mr. BLACK (Halifax): Parrsboro can.

Mr. LOW: But not the others.

Item agreed to.

St. John and Wedgeport, steam service between, $5,000.

Mr. HANSON: Where is Wedgeport.

Mr. LOW: Down near Yarmouth, Nova Scotia.

Mr. HANSON: In Digby county?

Mr. LOW: Yes.

Mr. MEIGHEN: The government keeps up the wharves and docks, I suppose, at these places.

Mr. LOW: Yes.

Mr. MEIGHEN: I presume then that if we have the Belle River wharf built there will be a subsidy to get in there. Has the government considered that?

Mr. HOCKEN: There is quite a fleet running from Belle River.

Sir HENRY DRAYTON: Heavy traffic all one way.

Item agreed to.

St. John, Westport and Yarmouth and other way ports, steam service between, $10,000.

Mr. HANSON: What company is this, and when was the contract entered into?

Mr. LOW: Hugh Cann and Son, Limited, Yarmouth, Nova Scotia, and the contract is for one year. The service has been performed for a number of years and the subsidy has been paid.

Mr. HANSON: And renewed from year to year?

Mr. LOW: Yes.

Mr. HANSON: Why the discrimination between Hugh Cann and Son and the Lovat Steamship Company? This company has a good boat and performs a useful service along the Nova Scotia shore. I do not see why the minister discriminates between this company and the Lovat company.

Mr. LOW: The contract is from year to year.

Mr. BLACK (Halifax): I was under the impression that items 213 and 214 could very well be brought together, and if tenders were properly advertised, instead of renewing from year to year, the department could get offers for the two services with a reduction at least of a third. In other words, $10,000 should cover that whole service very easily.

Mr. LOW: I shall be glad to take the hon. gentleman's suggestion into consideration when the matter comes up next year.

Mr. HANSON: What company performs the Wedgeport service?

Mr. LOW: The D. D. LeBlanc Company.

Item agreed to.

Sydney and Bay St. Lawrence, calling at way ports, steam service between, $9,000.

Mr. CANNON: How long has this service been in existence?

Mr. LOW: It has been in existence many years.

Mr. HANSON: Where is Bay St. Lawrence.

Mr. LOW: On the north-east coast of Cape Breton.

Item agreed to.

Sydney and Whycocomagh, steam service between, $13,000.

Sir HENRY DRAYTON: Let us get an explanation of Whycocomagh. Who has that service?

Mr. LOW: James T. Burchell, Sydney, Nova Scotia.

Sir HENRY DRAYTON: How long has it been running?

Mr. LOW: About twenty-five years.

Sir HENRY DRAYTON: The same one?

Mr. LOW: No, not with the same company. The service calls for three trips a week during the summer and two in the spring and fall.

Mr. MEIGHEN: Was it $13,000 previously?

Mr. LOW: It was the same amount last year.

Sir HENRY DRAYTON: What were the earnings last year?

Mr. LOW: The department has not the detailed statement of the earnings.

Sir HENRY DRAYTON: For the year before?

Mr. LOW: We have not got them.

Sir HENRY DRAYTON: Does that go as a matter of form, or are the earnings checked?

Mr. LOW: They are checked.

Mr. HANSON: In what way? Is there an independent audit of the accounts?

Mr. LOW: Our inspector drafts an account of the earnings and sends it to the office.

Mr. HANSON: What steps does the department take to ascertain if the character of the service is satisfactory? Do you have an inspector travelling incognito on these lines?

Mr. LOW: We have a travelling inspector who spends all his time at it.

Item agreed to.

Sydney and Bras d'Or lake ports and ports on the West coast of Cape Breton, steam service between, $18,000.

Mr. HANSON: Tell us why the increase of $4,000.

Mr. MEIGHEN: Getting back to Pictou again.

Mr. LOW: It is because the contractor refused to renew the contract at the same figure. By a statement which he furnished the department he showed a loss of $4,000.

Mr. CANNON: Were there any tenders?

Mr. LOW: We negotiated with the same contractor.

Mr. CANNON: Do I understand the minister to say the increase of $4,000 is because the company would not renew their contract at the same price, and their request was granted, without finding out whether the service could not be performed more cheaply by other companies?

Mr. LOW: The steamship subsidy inspector verified the statement of the company and was satisfied that the company had lost $4,000 in operating last year, as they stated. They would not renew at the former figure.

Mr. HANSON: I should like to know if the company who receive this subsidy does not also receive another subsidy for the same boats for another service, and that their total receipts now will be something like $22,000 a year in subsidies?

Mr. LOW: It is another company and another boat.

Mr. CALDWELL: What method does the department take to check up the statements of these companies?

Mr. LOW: The statements have to be certified by a chartered accountant; otherwise they have to send in their statements with vouchers, and our accountant checks them up.

Mr. DOUCET: Would the minister tell us what service is performed on the Bras d'Or lakes and the west coast of Cape Breton and the name of the boat?

Mr. LOW: The boat is the Bras d'Or and gives a weekly service from Sydney to North Sydney, Baddeck, Grand Narrows, East Bay, Big Pond, Irish Cove, Johnston's Harbour, Marble Mountain, St. Peter's, Grandique, Poulamond, L'Ardoise, Arichat, Mulgrave, Hawkesbury, Hastings, Port Hood, Margaree, Grand Etang and Cheticamp.

Mr. HANSON: How many trips does this boat make?

Mr. LOW: Weekly trips during the season of navigation.

Mr. HANSON: How many months?

Mr. LOW: About seven.

Mr. BEAUBIEN: Perhaps the Bras d'Or lakes should be drained and a railway service put in.

Mr. MARTELL: When the hon. member speaks about draining the Bras d'Or lakes, he should read literature. Charles W. Warner said that the Bras d'Or lakes were the finest salt water lakes in the world. They are noted

for their beauty, and all along the shore of that body of water are to be found some of the hardy Scots of Nova Scotia than whom there is no better breed alive. Every one of those places is devoid of railway facilities. The people have no method by which they can get to market or leave their homes save with their own boats or by means of subsidized ferry system. If the people of Cape Breton were coming here and getting $100,000,000 voted for branch lines, there would be very little criticism from my hon. friends over there, but the unfortunate part of the matter is that when a small vote is being made for any portion of Nova Scotia, every person in the House from Dan to Beersheba stands up and endeavours to criticise the finest province in the world, the province that made confederation possible and which is to-day the milch cow for the rest of the Dominion.

Mr. BEAUBIEN: Instead of draining the lake, I think a windbreak should be put up.

Mr. BLACK (Halifax): Item No. 190 is a local service between Halifax, South Cape Breton and Bras d'Or lake ports, for which $5,000 is voted. The service under discussion is between Sydney, which is practically at the entrance to the Bras d'Or lakes, and Bras d'Or lake ports, although not altogether the same ports, and $13,000 is being voted for this service. Why is there such a discrepancy? I am sure the distance covered by the steamer from Halifax is much greater than that covered by the steamer from Sydney.

Mr. LOW: Halifax is asking for more service.

Mr. HANSON: Is there duplication in these services? I have no objection to these communities being served, because I know, as stated by the hon. member for Hants (Mr. Martell), the justification for them is the fact that they have no railway communication, and they would not have any service at all if it were not for these subsidies. But there is always a suspicion in the mind of one who is not conversant with the locality that there may be an overlapping of service or that the same boat may be receiving two subsidies. Is there any suggestion of that character as regards any of these services along the coast?

Mr. LOW: I do not know of one service duplicating another subsidized service.

Mr. DUFF: I am rather surprised that the hon. junior member for Halifax (Mr. Black) should object to any subsidies being paid and especially to this subsidy. The minister was good enough to read out the names of the ports at which this steamer calls and the hon. member should know exactly where those places are. Owing to the fact that this boat is on that service, a great deal of business is done by Halifax merchants and the hon. member is supposed to be in this House representing the people of Halifax. I am, therefore, surprised to hear him object to and criticise this service, because it is not in the interest of Halifax that he should do so. This boat gives a good service. She goes not only through the Bras d'Or lakes, but through the St. Peter's canal as well. She calls at Grandique, Poulamond, Arichat, Mulgrave, Hawkesbury and a number of other places in Cape Breton where there is no other communication, and I cannot understand an hon. gentleman who has been receiving subsidies from the government for fifty years getting up and objecting to this small amount.

Mr. BLACK (Halifax): I did not object to the subsidy, but I asked for an explanation of the discrepancy in these subsidies.

Mr. DUFF: There is no discrepancy.

Mr. BLACK (Halifax): I have not yet received an answer from the minister.

Mr. DUFF: The hon. member heard what the minister said.

Item agreed to.

Inspection of subsidized steamship services, $4,500.

Mr. MEIGHEN: Who is the inspector?

Mr. LOW: Wilfrid Eddy Tupper, a gentleman who was appointed in the year 1912.

Mr. MEIGHEN: Is he a good inspector?

Mr. LOW: Yes.

Mr. MEIGHEN: Will the minister give us the items making up the $42,000 which are discontinued?

Mr. LOW: Canada and Newfoundland service, $35,000. We found that the Newfoundland government had taken over the service and on account of that government running the service, we declined to continue it. The Sydney and Bay St. Lawrence service, $5,000, and the Cheticamp and Port Hawkesbury service, $2,000, were also discontinued. That makes in all $42,000, not required for 1924-25.

Mr. MEIGHEN: Can the minister tell us how much we have saved in subsidies on account of the mercantile marine?

Mr. LOW: I have not that information by me now.

Mr. MEIGHEN: Can you give me an approximate figure?

Mr. LOW: I shall be glad to get the information and hand it to my hon. friend to-morrow.

Mr. MEIGHEN: If possible we could let the item stand until we got that information. The amount of course would be calculated on the basis of the previous subsidy and not on the basis of the increased subsidies; it would not be on the basis of the scale that now prevails.

Mr. LOW: We do not pay any subsidies to the mercantile marine.

Mr. MEIGHEN: The country is entitled to know in detail exactly what we receive now in subsidies on account of the mercantile marine.

Mr. LOW: If my hon. friend would ask the Minister of Railways I am sure he would be able to get the information.

Mr. MEIGHEN: I would venture a guess on that.

Mr. LOW: It is the privilege of my right hon. friend to guess on anything.

Mr. MEIGHEN: The amount saved would be under the Department of Trade and Commerce and the minister's officials could get the information quickly.

Item agreed to.

Electricity and Gas Inspection, including Export of Electric Power, $500; International Electrotechnical Commission, $400, $181,295.

Mr. MEIGHEN: Will the minister explain this?

Mr. LOW: There is an increase of $11,295 over the vote of last year and it is required to meet increased salaries and $2,000 for additional travelling expenses. The estimate of the salaries is $136,215; rent, fuel and travelling expenses, contractors and inspectors, amount to $44,180; on account of export of power, $500 and the International Electrotechnical Commission $400. The total expenditure for the year ending January 31, 1923 was $140,351.10 and the total revenue, $186,559.25, leaving a surplus of revenue over expenditure of $46,208.15.

Mr. HANSON: Has this service been always self-supporting?

Mr. LOW: For a number of years it has been almost entirely so.

[Mr. Meighen.]

Mr. MEIGHEN: What is meant by "export of electrical power"?

Mr. LOW: We grant a license to power companies and commissions in the different provinces to export power to the United States.

Mr. CALDWELL: Is that power vested entirely in the federal government? Have not the provincial governments similar power too?

Mr. LOW: The power is vested in the Dominion.

Mr. MEIGHEN: What was the heading of this item last year? It is not the same this year.

Mr. LOW: I do not know of any change from last year.

Mr. MEIGHEN: I cannot locate the item in last year's estimates.

Mr. LOW: I have not last year's estimates here but I do not think there is any change.

Mr. MEIGHEN: Will the minister say that previously this $500 for the export of electric power and the $400 for the Electrotechnical Commission were included?

Mr. LOW: I think this is a standing item; these amounts are included in the lump sum, the details of which I gave to my hon. friend. The amount expended in the twelve months of the past year was $156,702.26 and I am inclined to think that these sums are included in last year's estimate.

Mr. MEIGHEN: It is not mentioned. When items are mentioned in this way it is usually for the purpose of handing the money to some one; otherwise they would not be mentioned specifically as these two items are in this estimate. There is no mention of them in last year's estimates. I wonder that the minister does not realize just what the significance of that is. The amounts are not large but the principle is one that should be avoided.

Mr. LOW: If the hon. member will allow the item to stand a moment I shall have the information.

Mr. HODGINS: Is any revenue derived from the export of electricity?

Mr. LOW: No. Perhaps my right hon. friend (Mr. Meighen) might allow the item to pass on the understanding that I will get the information before the evening is over.

Mr. MEIGHEN: I think it would be better if the minister would let the item stand.

Mr. LOW: This item has appeared for many years. It is for the purpose of paying the engineers to inspect power plants exporting power to the United States. The $400 to the International Electrotechnical Commission is our contribution to the expenses of maintenance of the head office of the commission in London, England. There are thirty contributing countries.

Mr. MEIGHEN: The minister has not made the slightest explanation. His assistant was not in when I called attention to the point. Last year the item appears as follows:

Gas and electricity inspection.

Just those four words, with the amount. Now the item appears:

Electricity and gas inspection, including export of electric power, $500; International Electrotechnical Commission, $400.

These must be new or they would not be specially mentioned. When the amounts are put in separately it is a bad principle; it is done for a special purpose.

Mr. LOW: The wording of the item is slightly different from what it was last year, but my right hon. friend need not be at all suspicious. There is no desire to conceal anything. It is exactly the item which was included in the total vote of last year.

Mr. MEIGHEN: I hope I will soon be where I have not to take the government on trust. I have prepared estimates myself—

Mr. LOW: I have no doubt.

Mr. MEIGHEN: —and I never remember a case where a deputy or other official wanted to put in an item in that way that there was not some special reason for it. There is a reason for the change all right. The minister does not know it, I am satisfied of that.

Mr. LOW: My right hon. friend says I do not know the reason.

Mr. MEIGHEN: I give him credit for not knowing the reason, because I am sure if he knew it he would tell me.

Mr. LOW: I have stated to my right hon. friend as clearly as possible what the $500 and the $400 stand for. I have told him that the $500 was to pay a portion of the engineers' salaries while they are inspecting the hydro-electric plants that export power to the United States. I have also told him that the $400 is to pay our portion of the expenses of maintaining the head office of the commission in the city of London, England, to which expenses thirty countries contribute. Can I make it any plainer to the right hon. gentleman?

Mr. MEIGHEN: I presume someone is getting the money, but the point I made is not answered yet. There is no need whatever for having the amount put in separately according to the explanation given by the minister. What I say is, it would not be set out separately were it not essential to do so.

Mr. CALDWELL: Is this not a way to get around the classification of the Civil Service Commision in order to pay the inspector $400 more than his classification?

Mr. LOW: It is to cover travelling expenses, and only a little over $200 was used last year. It is true the item is worded a little differently from what it was last year, but if we wanted to conceal anything the amount would not be mentioned. The accountant prepared the wording. Why he changed it from the form used last year I do not know, but I have explained for what purpose the item is intended. My right hon. friend knows enough about the preparation of estimates to be aware that it is impossible to spend money except for the purpose for which it is stated to be required.

Mr. MEIGHEN: I think the member to my left (Mr. Caldwell) has hit on the reason all right. I do not think the minister has the point yet. It is no use for him to say that if he wanted to conceal anything the item would not be mentioned, because if the amount was not mentioned it could not be paid. What the accountant is trying to do is to get around the act and pay somebody a little more. The minister apparently has not observed that. That is the point.

Item agreed to.

Elevators, operation and management of the Canadian government, $420,000.

The CHAIRMAN: This is the vote which was formerly before the committee.

Mr. MILLAR: What items are included in this vote?

Mr. LOW: The operation of the five grain elevators that are under the department, and the handling of all grain in these terminals.

Mr. MILLAR: Would the minister mention the location of the elevators?

Mr. LOW: Port Arthur, Moose Jaw, Calgary, Saskatoon, and Vancouver, until recently.

Mr. MEIGHEN: Prince Rupert?

Mr. LOW: Prince Rupert will come too soon for my right hon. friend.

Mr. MILLAR: Is the Halifax elevator included in this vote?

Mr. HANSON: It is not built yet.

Mr. LOW: No, it comes under another vote; it has not been built yet.

Mr. LUCAS: Is there any revenue from the operation of these elevators?

Mr. LOW: The total revenue for the past four years is as follows:

1920-21	$672,325 00
1921-22	804,201 16
1922-23	860,421 39
1923-24	658,747 21

Mr. LUCAS: How is this revenue made up?

Mr. LOW: With the consent of the committee I shall hand in the statement of revenue for the last fiscal year so that it may be printed in Hansard. The statement is as follows:

CANADIAN GOVERNMENT ELEVATORS

Details of *Revenue* at Government Elevators, for fiscal year ended March 31, 1924.

	Port Arthur	Moose Jaw	Saskatoon	Calgary	Vancouver	Totals
	$	$	$	$	$	$
Storage	272,267 46	17,305 01	26,709 63	73,083 08	45,507 57	434,872 75
Cleaning	64,640 73	3,678 45	7,965 97	3,431 11	9,371 62	89,087 88
Drying	3,258 23	277 84	347 99	.....	.....	3,884 06
Bulkheads	5,906 00	75 00	45 00	60 00	5 00	6,091 00
Screenings	38,734 73	1,419 76	5,872 53	4,639 86	6,843 85	57,510 73
Interest	651 97	150 32	232 66	662 15	14 72	1,711 82
Chopping and Sacking	2,069 54	977 17	75 32	16,729 38	33,258 16	53,109 57
Lining Cars	440 00	102 00	24 00	.....	.....	566 00
Surplus Grain	10,341 16	.....	132 01	.....	719 16	11,192 33
Special Revenue	92 25	225 00	17 84	.....	385 98	721 07
	398,402 07	24,210 55	41,422 95	98,605 58	96,106 06	658,747 21

Mr. SALES: Will the minister give us a statement of the returns in connection with the operation of these elevators since the government have owned and operated them?

Mr. LOW: I shall put in a complete statement showing receipts and expenditure from 1913-14 up to January 31, 1924. With the consent of the committee, I shall not read it but shall hand it to Hansard so that it may be printed in full. The statement is as follows:

CANADIAN GOVERNMENT GRAIN ELEVATORS

Revenue and Expenditure for each year since the commencement of operation, also the Profit or Loss for same.

	Receipts	Expenditure	Profit
	$	$	$
1913-14	107,494 14	40,785 60	66,708 54
1914-15	240,323 18	115,236 24	125,086 94
1915-16	444,566 77	177,549 98	267,016 79
1916-17	890,038 75	312,069 46	577,969 29
1917-18	936,608 96	354,309 01	582,299 95
1918-19	741,523 88	353,823 33	387,700 55
1919-20	698,295 82	295,034 53	403,261 29
1920-21	672,325 00	384,510 91	287,814 09
1921-22	804,201 15	365,823 98	438,377 17
1922-23	860,421 39	426,257 49	434,163 90
*1923-24 to January 31st	595,876 50	293,290 84	302,585 66
	6,991,675 54	3,118,691 37	3,872,984 17

*Vancouver elevator transferred to the Board of Harbour Commissioners on October 1, 1923.

Mr. GARDINER: Does that include interest and sinking fund?

Mr. LOW: No.

Mr. SALES: In the $94,000 that the minister mentioned a few nights ago, are the licensing fees for the elevators included?

Mr. LOW: The license fees are included.

Mr. SALES: In the $94,000?

Mr. LOW: No, in this item, I think.

Mr. SALES: What about the license fees for the country elevators?

Mr. LOW: I have handed in the statement of earnings, but I shall give my hon. friend the total revenue if he wishes.

Mr. SALES: That is not the point at all. The other night when I gave as the surplus a figure of $4,000,000 odd, which the minister at that time was not inclined to agree with—

Mr. LOW: And I do not agree to-night.

Mr. SALES: Well, taking the figures the minister gave to-night and adding to them the $94,000 which he admitted had been the revenue over expenditure through the opera-

tions of the Grain Commission, we now have $3,966,984.17. We require only another item or so to make the figures furnished by his own department correspond with those I gave the other night, and I think licenses would probably cover that.

Mr. LOW: The figures presented by the hon. member tell only half the tale. They would give out the impression that there was a surplus of $4,000,000, but I shall endeavour to show that there are quite a few items that are not included in the ordinary figures of operation of these elevators. To mention a few small items to start with, there is no charge made for the services of the Board of Grain Commissioners in connection with these elevators. That charge is by annual vote under the Canada Grain Act which we discussed the other night. There is no charge for the services of the department at Ottawa. There is no charge for printing and stationery, or for insurance, except on grain stocks at Port Arthur. There is no provision in these annual statements for depreciation on buildings, machinery and equipment. We have invested in the elevators $5,882,523.78 upon which no interest is charged against the operation of those elevators. There is no charge for taxes of any kind. And we are adding to all this an item of about $1,400,000 for an elevator at Edmonton. If my hon. friend will figure out this capital investment at say 5½ per cent interest, he will find it amounts to about $275,000 each year, not including the elevator that is under construction at Edmonton. Then if the cost of the Canada Grain Board be added the profits will naturally be decreased.

Mr. GARDINER: The services of the Canada Grain Board are paid by the farmers in inspection and weighing fees.

Mr. LOW: Yes, but my hon. friend does not follow me. We had a surplus during those thirteen years of $94,000 on the Canada Grain Act. Had any charge been made under this item for the Canada Grain Board there would perhaps be a deficit in the other. Of course, it is only a matter of whether we shall have a larger surplus here and less in the other.

Mr. GARDINER: Why suggest charging it against this account, when the farmers have already paid the bill? We have paid for everything, and there is no reason why a charge should be made against this account.

Mr. LOW: My hon. friend does not follow me at all.

Mr. GARDINER: Oh yes, I do.

Mr. LOW: If you charge certain services against the other item you would not charge them against this; we are putting the total charge in the other item. We might divide it, and if we did that, it would simply mean that the surplus here would be less. It does not affect the joint result of the two items.

Mr. CALDWELL: If I follow the minister, any surplus in the $94,000 item would be greater if he charged part to this item, but the net result of the two items together would be the same.

Mr. LOW: Exactly.

Mr. CALDWELL: Then why confuse the two?

Mr. LOW: I am not trying to confuse them. I did not raise the point. I am simply trying to explain it.

Mr. CALDWELL: The other vote has been passed, and the minister admits a surplus of $94,000. Then why confuse that with this?

Mr. LOW: I want to deal with this separately, but my hon. friend asked me the question. I want to point out that there is no charge made by the department here at Ottawa for printing and stationery, or any other service, and in the elevator item there is no charge for depreciation. Any man knows that a depreciation of two per cent is not excessive. Almost every company in its annual statement writes off at least two per cent depreciation in its permanent buildings, and it would write off about ten per cent depreciation for the class of machinery that is in use in these elevators. The life of one of these cleaning machines is not more than ten years, and therefore ten per cent depreciation should properly be written off the machinery installed in these elevators. Then there are belts and many other things for which no allowance is made, and nothing is allowed for capital expenditure. Charge up these items as an ordinary company would, add interest, say 5½ per cent, and something for depreciation, and you will find that during the thirteen years these elevators have been in operation, the whole $4,000,000 would be more than wiped out. The point I wish to make clear is that while the elevators showed a surplus of $4,000,000, no allowance was made to provide for depreciation or interest on the investment. I am not complaining; I am simply pointing that out.

Mr. CALDWELL: Is that the method by which this surplus for the year was arrived at?

Mr. LOW: Yes, without any provision for interest or depreciation. I might mention that during the last four years we have had a surplus from what are called overages amounting to $179,000, or about $40,000 or $45,000 a year.

Mr. FORKE: Does not the minister think it would be advisable to change the system of book-keeping so that the country could know just how these elevators stand? Why does not the government make these charges against them, and issue a business-

10 p.m. like statement giving the actual standing of the elevators? As it is, it goes out to the country that there is a profit of $4,000,000 in the operation of these elevators, and all these expenses are kept in the background, giving a wrong impression. I do not see why that is done. It creates a great deal of dissatisfaction. If the country knew they were being run on an even basis, all this dissatisfaction would disappear.

Mr. LOW: I, as minister of this department, shall be very glad to take into consideration the remarks of my hon. friend from Brandon. I do not see why interest should not be allowed in figuring out the ultimate result. The point was raised the other night, and I have simply presented these figures to show the House why there is a surplus in the operation of the government elevators.

Mr. MILLAR: A large amount of this surplus grain is in litigation between the elevator companies. They have refused to pay the government for overages. I suppose that is not included in the receipts, as given here?

Mr. LOW: No, that is not included.

Mr. MILLAR: There is a rumour that there was something in the nature of a dispute over some 29,000 bushels in the elevator at Vancouver when it was taken over by the Harbour Commissioners. Could the minister give us any information about that?

Mr. LOW: I do not think there is any dispute. We weighed up the amount in the elevator at the time it was transferred to the Harbour Board; the Trade and Commerce department know the number of bushels there, and we expect the Harbour Commissioners to pay us for that amount. I do not think there is any dispute about it.

Mr. MILLAR: The minister still expects the Harbour Commissioners to pay for that?

[Mr. Caldwell.]

Mr. LOW: I do not doubt for a minute that they will. As long as I am in charge of the department I am going to insist on it being paid.

Mr. MILLAR: Have they admitted or denied the debt?

Mr. LOW: I do not think they have denied it. It is just in abeyance.

Mr. GARDINER: Was this 29,000 bushels of grain that no one had any claim to ownership of, in other words, a surplus?

Mr. LOW: A surplus at Vancouver, yes.

Mr. MEIGHEN: The minister told the hon. member for Brandon that he was going to consider having the reports appear as disclosing interest on investment, depreciation, and so forth. Will the minister tell us where he thinks he can make this appear?

Mr. LOW: I shall be very glad to rely upon a suggestion from my hon. friend as to where it might be put. He has had a much longer parliamentary experience than I have had, and I think I could safely rely upon his advice.

Mr. MEIGHEN: I think the minister was just stringing the hon. member. There is no place in the world where that could appear. Where can he make appear interest on capital and depreciation? The public accounts show moneys going out and coming in; they are not like the accounts of a corporation, and the minister would have to revolutionize the whole public accounts of Canada. That was only a means of getting past.

Mr. LOW: My right hon. friend says I have just been stringing the hon. member for Brandon. I have not been long enough in parliamentary life to adopt those methods, and I hope I shall never have to resort to them.

Mr. MEIGHEN: Tell us where you could have them appear.

Mr. LOW: It could be very easily shown that the surplus as apparent did not take into consideration certain other charges, which could be enumerated in the same statement.

Mr. MEIGHEN: It could be shown by a speech or in a statement issued, but you cannot show that in the estimates or public accounts, and that is the only place they are absent from now.

Mr. LOW: It could be shown in a statement that might be issued from the Trade and Commerce department, giving the result

of the operation of these elevators. It might even be shown in the report of the Canada Grain Board which is tabled here every year. It would be an easy matter to do that.

Mr. MEIGHEN: That is not the public accounts.

Mr. LOW: There are some things I know a little about, and one of them is the preparation of financial statements.

Mr. HOEY: Do they appear now in the annual report of the Board of Grain Commissioners?

Mr. LOW: I do not think they do.

Mr. MEIGHEN: I venture to say they will not appear there either.

Mr. LOW: My hon. friend has prophesied many things for several years.

Mr. MEIGHEN: And pretty accurate too.

Mr. LOW: I do not always rely on the prophecies of the right hon. gentleman.

Mr. MEIGHEN: They are fairly accurate.

Mr. LOW: Not very accurate.

Mr. MEIGHEN: Yes, fairly accurate.

Mr. SALES: I am sorry the minister should get the idea in his head that I wanted to circulate wrong information throughout the country. I had no such intention in my mind.

Mr. LOW: I did not think so, and I do not think I intimated that I thought the hon. member had any desire to mislead the House or the country. I would be sorry to think that, because in the short acquaintance I have had with the hon. gentleman our relations have been most pleasant, and I have the highest regard for him.

Mr. SALES: I was only trying to find out what the real situation was, and when I applied to my hon. friend's department for the receipts and expenditures I had no idea what the figures would show, and I quoted them in good faith. I notice, on looking through the Auditor General's report for this department, that if interest is not charged, the cost of the Grain Inquiry Commission, consisting of Mr. Justice Hyndman, Mr. Lincoln Goldie, Mr. J. H. Haslam, Mr. W. D. Staples and Mr. C. Birkett—which was charged up to the administration of the Canada Grain Act—is $46,373.12. I find considerable items for the maintenance of these elevators, for belts, iron beams, steel rods, steel columns, boiler plates, wire cable, buckets and so on. So apparently they keep on maintaining these elevators out of the fund before it shows any profit.

Mr. LOW: If my hon. friend will refer to item 380 he will find it reads: "Elevators, government terminal, maintenance of and necessary equipment, $60,000."

Mr. SALES: I am pointing out that in the old way of keeping the accounts, which apparently has been followed up to this year, all the expenses and all the receipts are grouped in the Auditor General's report, and that is where the figures are obtained which I quoted the other night. Now apparently the minister is following some new method of bookkeeping and singling out these items, and very nearly arriving at the same result.

Mr. LOW: I do not think so.

Mr. SALES: Taking the figures the minister has given to-night, and coupling them with the $94,000 which he agreed to a few weeks ago, we have $3,966,984.17, and I do not think we have yet got the license fees from the country elevators included in this. I think the weighing and inspection and the registration and cancellation of warehouse receipts are not included either.

Mr. LOW: Perhaps I should read the items included in the total revenue.

Mr. SALES: Has the minister any revenue other than what he quoted to-night?

Mr. LOW: I have no other revenue. I think it is all included in that amount of three million dollars odd.

Mr. SALES: I am anxious to prove that the figures given me by the department are correct.

Mr. LOW: I think if my hon. friend is prepared to accept half the story he might satisfy himself that the figures that he quoted the other night are correct, but if he tells one half of the story I shall endeavour to tell the other half. If he adds my half of the story to his, he will find that we arrive at a point where there is practically no surplus at all.

Mr. CALDWELL: I think this last statement of the minister coupled with the rather disturbing admission which he made a while ago, is going to make us a bit critical of surpluses reported by the government or by

any department. In the first place, he admitted the other night that there was a surplus in the administration of the Grain Act of $94,000.

Mr. LOW: Yes, for thirteen years and ten months.

Mr. CALDWELL: To-night he stated that there was a surplus of $3,900,000 odd in the operation of the elevators, and later on he tells us that their bookkeeping is so faulty—

Mr. LOW: No, I did not say that.

Mr. CALDWELL: I will appeal to the sense of the House on that point. He said he was considering very seriously changing his method of bookkeeping. This would not show any surplus at all—

Mr. LOW: I said I would take into consideration the remarks of my hon. friend from Brandon (Mr. Forke).

Mr. CALDWELL: Yes.

Mr. LOW: And that is not saying what I am going to do.

Mr. CALDWELL: Which means that he is willing to believe that his bookkeeping can be improved upon.

Mr. LOW: I did not say that, but I said that we might give more information. I am glad to receive suggestions from hon. members in different parts of the House, and if it will add anything of value to the statement I am willing to insert a clause in the report of the Canada Grain Board, showing the charges that should properly be made against the operation of the elevators, the interest on the investment, the depreciation, and other charges that should properly be included.

Mr. CALDWELL: Then we will take the statement actually made by the minister to-night. A few minutes ago he said there was a surplus of three million some hundred thousand odd in the operation of the elevators, but he also said that if the whole account was brought down and all the expenses charged there possibly would not be any surplus. I think we have a right to be a bit critical of the method of bookkeeping of the department. I think when a statement is brought down by a department of the government we are entitled to have all the information in the statement.

Mr. LOW: My hon. friend has noticed from year to year items in the current expenditure for elevators. They are not included in capital account. If we build an elevator this year, as we are doing and which is costing $1,400,000, it will be included in the current expenditures of the year.

Mr. CALDWELL: In the capital expenditures?

Mr. LOW: No, in the current expenditures.

Mr. CALDWELL: Well Mr. Chairman, I may be just a bit thick in my understanding; at the same time I can hardly recognize the different statements made by the minister to-night as meaning one and the same thing; that on the one hand there might be a surplus of nearly $4,000,000, and on the other hand that if the bookkeeping had been thorough there would not be any surplus at all. I would advise the minister to take private counsel from the hon. member for Brandon, so that he could improve his bookkeeping. Then when his statement was brought down we would know what it meant. It is quite a serious thing to say one minute that you have a surplus of three million odd and the next minute to say you have not any surplus at all. If I made out a statement of that kind in reference to my own banking account, it would be a disturbing element.

An hon. MEMBER: It might hurt the bank.

Mr. CALDWELL: It might mean success or failure of the Home Bank. I submit that we are entitled, when we get a statement, to have all the facts and charges against the item. I thought the hon. member for Saltcoats (Mr. Sales) had about $3,000,000 coming to him a few minutes ago, and now I find he has nothing. I am feeling very sorry for him.

Mr. LOW: An hon. member asked if the license fees for the internal elevators were included in the receipts under this item.

Mr. SALES: The country elevators.

Mr. LOW: Yes, the country elevators. They are included in the vote for the Canada Grain Act which went through a few nights ago.

Mr. HOEY: In the $94,000.

Mr. GOULD: The minister has been talking about depreciation of the elevators. When did the government commence writing off depreciation of the elevators?

Mr. LOW: I am sure the hon. member has been following the items from time to time since he entered parliament, and he has never seen any item for depreciation. That has always worked to the advantage of the producer of grain. It was pointed out that there was a surplus of $4,000,000. It is only right, in explanation of that, that there should be

taken into consideration the capital expenditure, interest on the investment, depreciation and other charges that might properly be made. I am sure though we left it out, that fact is working no hardship for any producer of grain in this country. If an elevator is built at Prince Rupert, it will be built out of current expenditure.

Mr. GOULD: The minister states that it is not used detrimentally to the producer of grain. What I have in mind is that when the audit was made of the terminal elevator companies at Fort William and Port Arthur, not only the government elevators, but the other elevators, in the amounts that the companies submitted as valuation, they used that. That is, they did not write off any amount for depreciation, but they allowed that to accumulate. Upon that sum which had accumulated, they added another sum almost equal to it in an endeavour to justify the huge profits they were making. I think it would be good business on behalf of the people to make these companies use a system of bookkeeping which would oblige them to show reasonable depreciation, so that dividends might be shown on the annual valuation of a plant. The depreciation in my estimation is an important item to be considered in these huge sums that are being expended on elevators.

Mr. CALDWELL: The minister speaks of several items that might be written up against this surplus, one of them being taxes and the other depreciation. I think the minister must be mistaken as regards taxes. If the Dominion government are liable for taxes on any of their properties, I shall be glad to know that, because we have in New Brunswick some Dominion government property from which we should like to collect taxes. I refer to the soldier settlers' land taken over by the Soldier Settlement Board, and railway shops. In my constituency there is a terminal division that we would be pleased to put a nice tax on. Is anything written off for depreciation on any public building such as post offices, armouries, docks, wharves, railroads or any other Dominion government property? If not, why should this item be interjected into the debate on elevators?

Mr. LOW: The post offices serve the general public—everybody.

Mr. CALDWELL: Do the elevators not do that too?

Mr. LOW: Not everybody.

Mr. HOEY: Everybody eats bread.

Mr. CALDWELL: Therefore an elevator must serve a public purpose.

Mr. LOW: One group of people might ask that they be exempted from depreciation charges or other overhead taxes. I mentioned a number of small items, but I said that the big item not taken into consideration was interest on the investment. Let me point out to hon. members opposite that, without any depreciation or any other charges, the total item of net earnings referred to by my hon. friend amounts to only 6.26 per cent upon the capital investment. That is not out of reason. If you deduct from that, perhaps, 2 per cent for depreciation of the building and 10 per cent for the machinery, you can soon work out the total amount of actual profits.

Mr. MILLAR: As I understand the matter, the policy of the department is that the grain shall pay for every service rendered by the government, namely: Inspection, weighing, cleaning, handling of the government elevators, and so on. We do not know exactly from the figures given to-night whether there is a surplus or a deficit. I do not wish to cast any slur on the minister, but I do not believe the minister knows that exactly and a careful accounting has not been made. Is it the policy of the government that the grain shall pay for every service rendered by the government?

Mr. LOW: The result for the last ten years would not indicate that. I stated just a moment ago that the earnings would only amount to 6.26 per cent on the capital investment, without any deduction for depreciation. The interest alone on the investment would almost eat that up.

Mr. CALDWELL: That is after paying operating costs?

Mr. LOW: Yes.

Mr. CALDWELL: How will that compare with the earnings of the government railways?

Mr. LOW: If we are to take for granted the elimination of interest charges against many things that cause deficits there is only one result—the people will have to pay those charges in the final analysis.

Mr. CALDWELL: We are not finding fault with this, but I think the comparisons are hardly fair. What about the earnings of the Canadian Government Merchant Marine? Will they pay 6 per cent on the investment after paying operating expenses?

Mr. LOW: The Canadian Government Merchant Marine is for the benefit of all the people, not for any particular service.

Mr. CALDWELL: And the elevators are not? I submit that there is no comparison at all. Everybody eats bread. Everybody does not use the merchant marine vessels.

Mr. LOW: Surely the hon. member will not argue that the elevators are for the benefit of all the people.

Mr. CALDWELL: Indirectly.

Mr. LOW: The man that eats bread, the blacksmith, the storekeeper, the labourer in the factory, derive direct benefit from the elevator?

Mr. CALDWELL: They all eat bread.

Mr. LOW: That is pretty far-fetched. If any individual class were seeking a special service from the public revenue, I am sure my hon. friend opposite would be one of the first to object. I am willing, however, to consider the suggestion made by the hon. member for Brandon (Mr. Forke) and to show just what conditions are—

Mr. CALDWELL: If the minister will take the advice of the hon. member for Brandon he will not go far astray on anything.

Mr. BEAUBIEN: Does the minister think it fair to charge the building of elevators to current account? When you build a post office or a wharf, you charge that, not to current account, but to capital account. All buildings built by the government are charged to capital account.

Mr. LOW: The only difference is that if you charge it to capital account, you charge it to the public debt and thus you make it appear as if you had a large surplus from operating over current expenditures.

Mr. GOULD: When the minister spoke of 6.2 per cent as the profit, on what valuation was that based? Was that based on the original cost or the cost submitted to the government when the latest audit was made of the valuation of the elevator, say at Fort William? I see a disparity between the original cost and the cost submitted recently to the government. The original cost of the elevator was shown as $1,315,767. When they were asked what the present valuation was, they showed a valuation of $2,105,228 and this was given in justification of the huge profits earned by the elevator. This was in spite of the fact that the elevator should have had depreciation charges written off, and the valuation shown as the original cost less those depreciation charges.

[Mr. Low.]

Mr. LOW: I am glad to inform my hon. friend that the lower figure is correct; the amount is $1,383,822.

Mr. GOULD: There is a disparity between that figure the minister gives and the lower figure I have mentioned of $1,315,767.

Mr. LOW: There is a difference of some $70,000 odd.

Mr. SPENCER: How much is allowed for the depreciation of these elevators?

Mr. LOW: No allowance is made for depreciation. It is customary in manufacturing businesses to allow 2 per cent. on the buildings and about 10 per cent on machinery. The life of a machine in an elevator operating at high speed is not more than ten years and it is therefore safe to provide for that length of time.

Mr. GOULD: What I am trying to show is that when the Canadian government elevator was asked to justify the huge profits it had made, the valuation of the whole concern was raised approximately $1,000,000. The assessed value of the land site was $145,714 but when the valuation was submitted to the Audit Board it was shown as amounting to only $90,000. We can see the genius of this: It is a very common practice throughout the urban centres, when the assessors come around, to reduce the valuation of property, and the Canadian government has been guilty of the same practice in this instance. To justify the profits they have made they have increased the total value of their land and buildings something like $1,000,000.

Mr. LOW: I have already stated that the correct amount is only $1,300,000 odd and not $2,000,000.

Mr. GOULD: I understand that; I am merely pointing out how the method changes to meet the circumstances.

Mr. SALES: What has been the result of the operation, since their inception, of the elevators at Saskatoon, Calgary and Moose Jaw?

Mr. LOW: The revenue from the Saskatoon elevator 1923-24 amounted to $41,422.95 and the total expenditure, $62,462.86, or a loss of $21,039.91. In the case of the Moose Jaw elevator the total revenue amounted to $24,-210.55 and the expenditure, $57,228.28, or a loss of $33,017.73.

Mr. SALES: What about the Calgary elevator?

Mr. LOW: The total revenue amounted to $98,605.58 and the total expenditure, $71,590.33, or a profit of $27,015.25.

Mr. SALES: That is for one year.

Mr. LOW: Yes.

Mr. SALES: Has the minister any idea what the total result has been since these houses have been in operation? Has there been a consistent profit or loss?

Mr. LOW: I shall give the figures for a period of years showing the various profits or losses as the case may be.

Calgary Elevator

Year	Profit	Loss
1915-16 (Sept. to March)		$ 9,540 28
1916-17	$ 6,899 51	
1917-18	36,748 47	
1918-19	25,547 58	
1919-20	76,756 18	
1920-21	71,967 53	
1921-22	51,313 34	
1922-23	83,781 19	
1923-24	27,015 25	

Moose Jaw Elevator

Year	Profit	Loss
1914-15 (Oct. to March)		$17,092 21
1915-16	$56,432 37	
1916-17	59,829 26	
1917-18	73,482 32	
1918-19	24,705 67	
1919-20	22,310 11	
1920-21	12,778 79	
1921-22	.....	14,017 83
1922-23	.....	14,628 24
1923-24	.....	33,017 73

Saskatoon Elevator

Year	Profit	Loss
1914-15 (Oct. to March)		$11,787 69
1915-16	$ 57,740 17	
1916-17	124,506 19	
1917-18	79,949 55	
1918-19	61,847 05	
1919-20	49,897 37	
1920-21	43,759 45	
1921-22	9,828 73	
1922-23	.....	15,434 77
1923-24	.....	21,039 91

Mr. CALDWELL: What is the reason for quite a large profit one year and a heavy deficit the next; would it be due to a crop failure?

Mr. LOW: When I was at Moose Jaw last year a group of men asked me to provide an amount in my estimates for advertising purposes to urge the farmers to patronize the elevator there. That apparently is the reason for the loss at Moose Jaw—the failure of the farmers to patronize the elevator.

Mr. CALDWELL: What other method do they have of getting their grain out?

Mr. LOW: They can ship it right through to Fort William.

Mr. MILLAR: What would be the object of getting them to patronize that elevator? It would be simply trying to make water run up hill. If it is cheaper for the farmers to ship their grain to Fort William, why urge them to use the interior terminal elevators?

Mr. LOW: I did not agree to provide that amount for advertising, because I felt that the government having built the elevator at a cost of about a million and a half dollars, could hardly be expected to ask the farmers to avail themselves of the accommodation offered when it was not in their interest to do so.

Mr. MILLAR: I think the minister was perfectly right. Perhaps I might explain why there was a surplus some years and a deficit other years. These interior terminal elevators were built for taking care of the grain when there was a shortage of cars and the farmers were not able to ship their grain to the terminal elevators fast enough. The transportation systems are dependent to a large extent on the weather conditions. If they are favourable, as they were last fall, the transportation systems can handle grain very fast, and the interior terminal elevators are not used very much but if the transportation systems are tied up by reason of very bad weather, the farmers must use this accommodation.

Mr. COOTE: Would the minister give us the corresponding figures for the government elevator at Port Arthur?

Mr. LOW: These are the corresponding figures for the Port Arthur elevator:

Year	Profit
1913-14	$ 66,708 54
1914-15	153,966 84
1915-16	162,384 53
1916-17	395,425 19
1917-18	399,454 95
1918-19	267,440 92
1919-20	249,249 29
1920-21	156,092 65
1921-22	340,861 08
1922-23	270,331 83
1923-24	246,549 42

Mr. COOTE: Will the minister explain whether in this statement of profit he is making provision for depreciation and for interest on the investment?

Mr. LOW: I think I have told the committee, at least half a dozen times, that there is no charge for interest, for depreciation, for the services of the department at Ottawa, and for stationery and other small items.

Mr. COOTE: Are the profits quoted the difference between the receipts and the expenditures?

Mr. LOW: The profits quoted represent the difference between the receipts and expenditures without any provisions for the items I have enumerated.

Mr. COOTE: Then I wish the minister would explain to the committee why this difference occurs. A short time ago I asked the department for a statement of receipts and expenditures in connection with the various government elevators. According to the statement furnished to me, the receipts of the government elevator at Port Arthur for 1913-14 were $217,641.66, and the expenditures, $68,111.35, leaving a profit, as I figure it, of $149,530. If I understood the minister correctly, he stated the profit on the operation of this elevator for that year was $66,708. In fact there is a discrepancy between his figures and the figures furnished me for every year which he has quoted.

Mr. LOW: The receipts at the Port Arthur elevator 1913-4 were $107,494.14, the expenditure $40,785.20, leaving a profit of $66,708.54.

Mr. COOTE: Is the minister then able to explain why this statement for 1913-14 should be given to me on May 1, if the receipts were not $207,641.66, and the expenditures $68,111.35, leaving a profit of $149,530?

Mr. LOW: The total revenue for 1913-14 was as I gave it a moment ago. If my hon. friend will drop into my office I shall be glad to go into these figures with him, particularly with regard to the differences between those I have given and those he has received.

Mr. COOTE: Just to bring to the attention of the minister the great discrepancy there is I would like to cite a few more of these figures. The letter which I received is dated May first and says:

> With reference to your letter of the 22nd ultimo, regarding additional information required in connection with the Canadian government elevators, I now enclose copies of statement prepared by the Board of Grain Commissioners showing the revenue and expenditure of such elevators at Port Arthur, Calgary and Saskatoon each year since the commencement of operation, which I trust will meet your requirements.

I will just give a few illustrations to show how far the figures given in this connection differ from those given by the minister tonight. The statement I have received shows that for the year 1914 the receipts of the government elevator at Port Arthur amounted to $190,238.39 and the expenditure $64,656.36, leaving a profit, as I have figured it, of $125,582; the minister gives it as $153,966. For 1915-16 the statement I have gives the profit as $324,625, and the figure given by the minister is $162,384. The minister will see what a great discrepancy there is for that year.

Mr. LOW: May I ask the hon. member who signed the letter?

Mr. COOTE: It is signed by Mr. Parmelee, the acting deputy minister.

Mr. LOW: Will my hon. friend show me the letter, together with the figures from which he is quoting?

Mr. COOTE: Yes, I will do that. For 1916-17 this statement gives the profit as $416,923, while the minister's figure is $395,425. May I ask what were the total receipts for the years 1913 to 1923 inclusive?

Mr. LOW: $3,929,262.01.

Mr. COOTE: I have it only up to 1922-23—$3,694,878.61.

Mr. LOW: The amount for last year to January 31, 1924, is $374,861.92.

Mr. COOTE: Adding this amount to the total I have given, I make it $4,069,740.53. What were the profits for 1923-24?

Mr. LOW: $269,691.01.

Mr. KELLNER: What was the idea of taking the control of the Vancouver elevators from the Board of Grain Commissioners and giving it to the Harbour Commissioners?

Mr. LOW: The elevators are usually operated by the harbour commissions, but the inspection and the weighing and the issuing of receipts is still under the control of the department.

Mr. KELLNER: Well, the control is under the Harbour Commissioners in transfer harbours such as Montreal, but Vancouver is what might be termed a terminal point, such as Fort William is, and in that respect it is in a different position from Montreal, St. John or any of the eastern ports. I assure the minister that the western grain growers would much rather have the elevators under the Board of Grain Commissioners.

Mr. LOW: In Vancouver they think they will shortly surpass Montreal in shipping and I would suggest that if my hon. friend happens to be in that part of the country he be very guarded about making that remark within a hundred miles of Vancouver.

Mr. KELLNER: The minister did not get my point. Vancouver is a terminal point and also a transfer point, but Montreal is only a transfer point. How many mixing licenses have been issued in Vancouver?

Mr. LOW: I cannot give that information to-night, but if the hon. gentleman will drop into my office I shall be glad to give it to him.

Mr. COOTE: Will the minister give us the total profit at the Port Arthur elevator for the years up to 1923-24? I would like to get some more information with regard to these discrepancies.

Mr. LOW: The total profit for the years from 1913-1914 to 1923-1924 to January 31, amounted to $2,743,053.64.

Mr. COOTE: I have figured this out very hurriedly, and I make the profit $2,940,911. Of course, I will not guarantee the accuracy of these figures.

Mr. LOW: Are those figures down to the end of the fiscal year?

Mr. COOTE: I have the figures here for every year except 1923 and 1924, and there is a discrepancy in every year as compared with the figures given by the minister. This discrepancy refers to the elevators at Calgary and Saskatoon. I have statements here covering their operations, and there is a discrepancy as compared with the minister's figures for every year. Really, I think the minister ought to give us some reason why there should be this great discrepancy. Possibly he cannot do it, but he has been very positive to-night, it seems to me, in assuring the members that he is giving the grain farmers a very cheap service and is not making any money out of them. Possibly his figures are not accurate. We have two different sets of figures coming from his department.

11 p.m.

Mr. LOW: Is there any reason why my figures should be any more inaccurate than my hon. friend's? We are both ordinary laymen, and I shall be very glad to sit down with him and compare these figures, and see wherein the difference arises.

Mr. COOTE: I will admit that I am an ordinary layman, and the minister can admit it for himself, but we understand that we have a very highly paid and efficient Civil Service which is furnishing us with this information, and it is very hard for members to understand why, therefore, we should get two sets of figures from the same department showing a very great discrepancy. The minister will notice that particularly in the year 1915-1916, and there are other years where the discrepancy is just as great. I certainly hope that the minister will try and see that his department is administered in such a way that we can depend upon the figures we get from it being correct. I would hate to quote these figures and find out afterwards they were not correct. I just wanted to know whether the minister could throw any light on this great discrepancy in the two sets of figures coming from his own department.

Mr. LOW: All I know is that I have a set of figures before me, and I rely upon them being correct. If mine are wrong and my hon. friend's are right, let us get together on the matter. I am ready and willing to meet the hon. member at any time, and compare our figures and see where we differ. There may be some simple explanation.

Mr. CALDWELL: May I ask the hon. member for Macleod by whom his figures were prepared?

Mr. COOTE: I quoted the letter here. It was signed by Mr. Parmelee, and the figures, I understand, were prepared by the Board of Grain Commissioners. Coming from them I would take them to be correct. While I am on my feet I would ask the minister to tell the committee, without going over all the figures again, whether the Calgary elevator is a paying proposition from the standpoint of his department, and similarly with regard to the elevators at Saskatoon and Moose Jaw.

Mr. LOW: I have given all these figures; they are on Hansard; shall I repeat them?

Mr. COOTE: No, but taking a period of years, does the minister consider them a paying proposition?

Mr. LOW: I have given the years in which they have been paying, but you have to take into consideration interest on capital investment, depreciation, and the other items I have mentioned.

Mr. COOTE: I simply wanted from the minister his opinion whether or not it was a paying proposition, because I understand he is proposing to build a similar elevator at Edmonton. I was wondering whether he was going to do that because it was a paying proposition, or what was the reason.

Mr. LOW: Let me first ask the hon. member whether his figures are for the calendar or the fiscal year.

Mr. COOTE: I would take it they are for the fiscal year, because they start off with the year "1913-14."

Mr. LOW: How did the hon. member ask his question?

Mr. COOTE: I have not my letter here, so I am unable to say.

Mr. LOW: I shall be glad at any time to go into the figures with my hon. friend One set of figures may have been given for the fiscal year, and the other for the calendar year.

Mr. CALDWELL: With regard to the discrepancy between the figures given by the department to a member of the House and the figures given to the minister, I am very glad indeed that this matter has come up before the civil government estimates have been taken up. We have a very elaborate staff of statisticians in this department, with a salary list aggregating over $50,000, and one position that struck my attention in view of the discrepancies that have been disclosed to the House to-night is that of Assistant Chief, Division of Educational Statistics. Now, if there is one thing that is needed in this department, if it is going to have a statistical branch at all, it is an educational statistics branch, so that the officers may be educated in preparing their statistics so that they will not show such a great discrepancy.

Another matter that I think it would be well to consider when the civil government estimates are up, and I hope I am not out of order in referring to this now, is a question that has been referred to at different times in this House when those estimates are going through, and that is that practically every department has an elaborate statistical branch. I think possibly the Bureau of Statistics of the Dominion is as competent and able an organization as that of any country comparable in population, and I would like the government to consider very seriously the advisability of doing away with the statistical branches in the different departments, and putting this whole work of gathering and tabulating statistics under one department.

Mr. LOW: That matter has been under consideration.

Mr. CALDWELL: I think in that way we might possibly be able to get figures from the one department that would compare at least within a million dollars when given over a period of four or five years, which seems impossible under the present system. I am not blaming the minister. It is possible the statistician who got out the report for the hon. member for MacLeod was more thorough than the official who prepared the minister's figures, because the minister admitted to-night that if these accounts had been kept under a different system and had been charged with what they should have been charged there would have been a difference of $3,000,000 in the figures he gave us to-night. I would very strongly urge that this question of gathering statistics be considered by the government, so that we will not have the duplication that now exists in this work in every department of the government.

Mr. MILLAR: Is it not possible that the discrepancy may exist through the crop year having been taken in the one case? I have compared some figures for the crop year and the calendar year, and I have noticed quite a discrepancy between them.

Mr. LOW: I have no doubt that when we come to compare the figures we shall be able to find the reason for the discrepancy. I assure my hon. friend from MacLeod that I shall be very glad to go into them in detail with him.

Mr. CALDWELL: There is another thing the minister should take up with his own department and that is the question of giving out statistics to members, because those are what we must depend on; we cannot wait until the estimates come down for this information. There should be some uniform method of giving out statistics so that when a member gets certain figures from the department he can rely on them, and not find them at variance with another set of figures issued by the same department. It impresses on my mind more thoroughly than ever the necessity of having a uniform method of keeping statistics, and it should all be under the Bureau of Statistics.

Sir HENRY DRAYTON: Where did this vote appear last year? I have been looking for the vote of last year but cannot find it. It does not seem to have been dealt with in the same way. There seems to be some change in the estimates.

Mr. LOW: I know that my hon. friend the ex-Minister of Finance (Sir Henry Drayton) was not in the House when I explained probably a dozen times the manner in which this vote was being treated this year. In the past the estimates for the Canada Grain Act proper and the estimates for the management and operation of Canadian government elevators have been presented to parliament and voted in one amount. This year they are voted in two different amounts one, the Canada Grain

Act, $1,100,000, and the other the elevators for 420,000 jointly amounting to $1,520,000, the reduction on the two items combined amounts to $38,000 odd.

Sir HENRY DRAYTON: There must be an increase in the other one. There is a decrease in this.

Mr. LOW: Yes. They total $38,000 less.

Sir HENRY DRAYTON: The other item would be the Canada Grain Act administration, $1,478,000. That is the item the minister is referring to, is it? That is item 363 of last year's estimates.

Mr. LOW: The total amount was $1,558,839.

Sir HENRY DRAYTON: The total amount last year was $1,478,839. It may be that there was a supplementary estimate.

Mr. LOW: Yes, a supplementary item of $80,000.

Sir HENRY DRAYTON: In that supplementary of $80,000 there was an increase.

Mr. LOW: The vote under the Canada Grain Act this year was $1,100,000. Under this item it is $420,000, making a total of $1,520,000, against $1,558,839.

Sir HENRY DRAYTON: That is not what I was talking about. In 1923-24 there would be an increase of $258,000 over the vote of 1923-24.

Mr. LOW: The combined vote?

Sir HENRY DRAYTON: Yes.

Mr. LOW: I do not think so.

Sir HENRY DRAYTON: You will find that the combined vote in 1922-23 was $1,300,000. The amount in the supplementaries for 1923-24 was $1,478,839, which made an increase of $178,839. Now the minister tells us there was a supplementary item of $80,000, so that it makes the increase of $258,000 which I referred to. My hon. friend, in taking $38,000 off this year, still leaves the amount some $200,000 above the expenditure of 1922-23. What is the occasion of the big increase?

Mr. LOW: There is a decrease of $38,000. The elevator item this year amounts to $420,000, against $472,000 last year, making a decrease of $52,000. The item for the administration of the Canada Grain Act is $1,100,000 this year, against $1,086,839, last year, an increase of $13,161. Deduct $13,161 from $52,000 and roughly speaking you will have a reduction of $38,000.

Sir HENRY DRAYTON: I quite agree with that, but my hon. friend's government raised that vote in the estimate of 1923-24 as against the previous year $258,000 odd. The reduction now made of $38,000 would cut that down to $220,000. Is there any way of getting back to the figures of 1922-23. What is the reason for the increase? Were there more elevators operated?

Mr. LOW: The natural cause of the increase for 1922-23 was the large crop. There was a large crop again last year.

Sir HENRY DRAYTON: It was 1923-24 when the increase took place.

Mr. LOW: In 1923-24 there was an exceedingly large crop, about 475,000,000 bushels of wheat, and it required extra help, inspection, weighing and other services. Naturally it would require a much greater staff to handle such a crop than to handle a crop of 300,000,000 or 325,000,000 bushels.

Sir HENRY DRAYTON: Yes. There are a whole lot of different matters I want to discuss in connection with the elevators and the handling of the grain traffic, and I do not know that these matters can be usefully discussed now, when we are told that the grain report is to come down in time for legislation. Is the government's information still to the effect that this report will be brought down soon?

Mr. LOW: I expect that the interim grain inquiry report will be placed upon the Table within the next few days—

Sir HENRY DRAYTON: Dealing with the question of grain inspection?

Mr. LOW: I do not know just what it will deal with, but it will be an interim report by the Grain Commission.

Sir HENRY DRAYTON: Are the government's instructions to the commission as to what is to be done in the interim report sufficiently definite to let us know whether we will have that report, not only for the purpose of considering it in detail but for the purpose of basing legislation upon it this year?

Mr. LOW: I am hopeful that there will be matters reported on which will enable us to introduce new legislation. I cannot be certain. No instructions have been given.

Sir HENRY DRAYTON: I suppose we will have an opportunity of discussing questions of spread, market prices on the country sidings as against the elevators and all the other difficulties.

Mr. LOW: No doubt hon. gentlemen will have an opportunity of discussing that report, and if they enter into all the items which my hon. friend has mentioned the discussion will take considerable time. However, it is the privilege of hon. gentlemen opposite to discuss these things. I have no doubt the report will be tabled within the next few days. I have been informed that it is on its way.

Mr. SUTHERLAND: What are the sources from which the revenue of these elevators is derived?

Mr. LOW: I have given these statements about three times already to-night, and the hon. member will find all the information on Hansard.

Mr. ROSS (Simcoe): We all realize that one of the most vital questions before us to-day is that of markets—the extension and the preservation of markets when we once get them. That applies not only to agriculture, but to all lines of industry. We are bending every effort to extend our markets in every direction where we can find them. In order to retain those markets there is one fundamental principle that we must not lose sight of. Once we have found markets, we must place on them a good product, uniform in quality and in such shape that those who are our customers will know that the article that they are getting is according to grade or as represented.

The marketing of grain is of vital importance to agriculturists, not only in eastern Canada, but in western Canada, to agriculturists in Canada as a whole, and in order to show the situation as it exists at the present time, I wish to make several quotations from this report which I received in the mail only last night. This is the report of the commissioners appointed last year to take up the question of complaints received respecting the condition of grain shipments from Canadian ports and from United States ports in bond to Great Britain. This report is made by Mr. Leslie H. Boyd, chairman of the Board of Grain Commissioners and George Serls, Chief Grain Inspector for Canada. On page 3 of the report it is stated that the commission was appointed on the 16th May, 1923. The commissioners left Quebec on the 26th May, 1923, and arrived in Southampton on the 2nd of June, journeying down to London on the same day. On Thursday, June 7, a conference was held with the Canadian, Australasian and United States committee of the London Corn Exchange. The report gives the names of those present but I need not read them. The report continues:

The chairman stated the objects of the conference and called upon Mr. Anderson, the President, to open the meeting.

Mr. Anderson stated that complaints of admixture had arisen in regard to Canadian grain shipped through United States ports and that some time before a deputation from this association interviewed the United States Consul-General in London and placed before him evidence in respect to a number of specific cases of shipments, in regard to which complaints had been made and which had been officially investigated by his association. He further stated the result of this interview was that the consul-general obtained some very valuable reports from various ports in the United States and which, in his opinion, bore out the contention that there is slackness in preserving the identity of Canadian wheat passing through the United States.

Again I quote from page 4:

It was stated in general discussion that most of the complaints during the last eighteen months had been in respect to shipments from Baltimore and Philadelphia. It was further stated that if the elevator companies are directly interested in wheat, the admixture in shipments is hardly surprising. The wheat was handled in the United Kingdom by docks who have no interest in it, and they could not have any incentive to tamper with it.

Mr. Serls and myself carefully outlined the process of inspection at Winnipeg and the head of the lakes, describing minutely the unloading of the grain into the elevators at the head of the lakes and the loading out into boats at these ports, and explained to the members present that when the certificate was issued for the cargo loaded and the boats left for American ports, the authority of the Board of Grain Commissioners for Canada ceased. We also explained to the meeting that the large majority of elevators in the United States, which handled Canadian grain, were private, and that Canadian grain going through these elevators for export was supposed to be properly bonded, a great many of them being owned by the American railways, and, in reply to a suggestion of Mr. Robinson that the above government should take steps to protect Canadian grain passing through United States' elevators, I pointed out that as Canada only controls her own elevators, this was a practical impossibility.

Further:

It was very gratifying to note that there was no complaint in regard to Canadian grain shipped through Canadian ports, and Sir Herbert Robson stated that the only satisfactory remedy must come from closer co-operation between Canadian and United States governments, and that the bonding arrangements must be tightened. He was of the opinion that the whole trouble had arisen since the duty was placed on Canadian grain imported into the United States, for use there.

Again:

It was further decided that the Honourable Robert Skinner, American Consul-General in London, should be written to and a suggestion made that he should meet myself and a committee of this association with a view of discussing these matters. A meeting was held at a later date. At the close of this meeting we accompanied several of the members to the sample room of the exchange, where we examined samples of the cargoes complained of. The samples more particularly noted were:

First:—A shipment of twenty-five thousand (25,000) quarters of No. 1 Manitoba Northern wheat per the ss. Livingstonia to Swansea and loaded at Baltimore: The complaint about this shipment was received by the Board of Grain Commissioners in March, 1922, and the substance was that the wheat in No. 1 hold was mixed with another kind of wheat, presumably a Red Winter or similar wheat. This complaint was investigated by the Board of Grain Commissioners at Fort William in the month of April, 1922, and the Chief Inspector on examining the samples forwarded from London, found that one sample of 387 tons in hold No. 1 of this boat, contained a heavy admixture of American wheat, badly heated and would be graded "Rejected 1 Northern, mixed with Heated". A further sample marked 120 tons in the same hold also contained a heavy mixture of American wheat badly heated, and would be graded "Rejected 1 Northern, mixed with Heated". A further sample of 759 tons, also showed a mixture of American heated wheat and would be graded the same grade, and the Chief Inspector was of the opinion that the grain as represented by these three samples from hold No. 1, certainly gave the consignee grounds for complaint. The samples from holds 2, 5 and 4 and bunker were all equal or better than the standard of 1 Northern. On an examination in the Sample Room of the London Corn Exchange of samples from this same cargo ex the Livingstonia, Mr. Serls, the Chief Inspector, was of the opinion that an admixture of wheat of American origin occurred after the wheat left Fort William.

It might be pointed out that, according to the official records in the offices of the board at Fort William all the wheat covered by this shipment went forward from the head of the lakes via Buffalo and Baltimore.

I quote now from page 7:

The members of the London Corn Exchange at this meeting made it quite clear that, although the causes of complaints were not numerous, these few cases were bound to create a suspicion in the minds of the members of the exchange that the one-time high standard of the Canadian certificate could no longer be relied upon. It was the general expression of opinion of all those present that grain imported through an all-Canadian channel was very satisfactory, but as a buyer was bound to accept the grain tendered on Canadian certificate, they were not in a position to know through what channel, Canadian or American, this grain would be received, and, as when buying grain on a Canadian certificate, the certificate is considered as a certificate final and the buyer must accept the grain delivered on such certificate.

This goes to show the necessity for handling our grain through our own Canadian ports. Passing now to page 14 of the same report, I want to quote just a brief paragraph with reference to Holland:

The wheat importation situation in Holland is somewhat peculiar in the fact that one firm, namely "von Stock's Commissiehandel", was appointed by all the chief flour manufacturers to act as their buying agent. This firm has an office in New York and buys most of the Canadian and other wheats and grains there, as well as through commission agents in Holland when prices are advantageous. The manager of this concern, Mr. Spierenberg, informed Mr. Johnson that he thought the reason why English firms had complaints regarding Canadian grain was that they bought on terms of "Sea-Board Inspection" which enabled exporters to tamper with the grain before inspection was made. He further stated that his company never buy on the terms of "Sea-Board Inspection" but always insist on Dominion Inspection when buying Canadian grain and that this is the case with practically all Canadian grain which is imported into Holland. He further stated that, instead of complaining about Dominion grain, he would wish to compliment the Canadian government for the splendid way in which the inspection of Canadian grain is carried out. Instead of people complaining, every one is very pleased with the quality of Canadian wheat and other grain.

That is to say, when they are not up to grade; and the only way we can be sure of our product when it is placed on the markets of the world, either in Great Britain, in Holland, in Belgium or anywhere else is apparently, according to this report, if it goes through our own ports. Let me quote:

A conference of Mr. Robt. P. Skinner, United States' Consul-General, members of the London Corn Trade Association, Mr. Harrison Watson, Chief Canadian Government Trade Commissioner of the United Kingdom, Mr. Geo. Serls and myself, was held in the board room of the London Corn Trade Association...

The complaints more particularly discussed were those hereinbefore referred to at the London conference.

This is the result of their discussion:

Mr. Skinner emphasized that he had no authority to say anything at all on behalf of the American government but that he would be glad to receive any suggestions and transmit them to his government and to support then if they appealed to him. He further went on to say that he was prepared to receive any facts as to particular cargoes and that he understood the object of the conference was to look into the future and devise some scheme to improve present conditions.

The Honourable Mr. Wiles stated that there was no complaint of the Dominion certificate being incorrect when the wheat was shipped through Montreal; that it was all right.

Mr. Skinner inquired whether there are the same number of handlings of grain passing through the port of Montreal and he was informed that such was the case.

I am not going to quote a great deal more but there are one or two brief paragraphs of importance which I wish to submit. Coming to the summary of the whole discussion we find, in regard to wheat:

Several complaints as cited in the above report were made about the admixtures of cargoes of wheat via United States' ports. Practically none were made covering cargoes of wheat ex Canadian ports.

The grading of wheat was considered generally satisfactory. Some millers stated that they did not quite understand the variation in the weight of 1 Northern but it was pointed out to them that, under the statutory definition, if they received wheat weighing 60 pounds they were receiving what the statutory grade called for, and that in most instances, the weight they received was much higher than 60 pounds Generally speaking complaints about the grading of wheat were very few and of a minor character, and the general expression of opinion was that the grading was remarkably uniform.

Another paragraph appears regarding recommendations:

From your observations and investigations we are satisfied that, although the complaints of grain passing through the United States' ports were not numerous,

they are of sufficient importance to endanger the value of Canadian wheat sold on Canadian certificates passing through these ports. The buyer or receiver is bound to take delivery of the grain on Canadian certificates whether it be imported through United States' or Canadian ports, the certificates being final and there being no redress.

These are the quotations which I wish the committee to consider. From these quotations we find that under present conditions it is absolutely necessary for us to make some effort to have our grain handled through our own government elevators, through our own Canadian ports, transported via bay ports or other landing places over our own Canadian National Railways, thus giving employment to our own Canadian people. I think it is only fair to place the matter before the government and in these few remarks to-night I am trying to stress the importance of this feature of our government elevators; I think it is highly necessary that we should handle our own grain over our own railways through our own ports. This is important not only from the standpoint of securing markets but also of maintaining the confidence of our foreign customers.

I have one more suggestion to offer and I do not want hon. members to think that in this I am speaking altogether from the point of view of my own constituency. Let me refer to the situation in the harbour at Collingwood, one of the Georgian bay ports. We have there one of the best harbours in Canada with first class accommodation for the larger boats; last winter there were about 22 tied up in the harbour, some of them 600 feet in length. There we have also the Collingwood Shipbuilding Company, which I believe is classed among the first of such concerns in the country. We have, too, dry docks fully equipped for all classes of repair work. We have also an elevator owned by the federal government, but it is altogether inadequate and out of date to handle the large quantity of grain that comes to this port. We are also fortunate in having two branches of the Canadian National Railways running to Montreal, one going via Toronto and the other by way of Allandale, Orillia and Cobourg. My plea to the government to-night is that they do everything possible to facilitate the handling of the grain trade through our Canadian ports and over our Canadian National Railway lines, thus giving work to our people and at the same time helping to extend the markets which we need so badly to-day not only for agricultural products but for everything else. I would ask the government to include in the supplementary estimates this year, or if not, in the main estimates next year, a vote for putting the government-owned elevator at Collingwood in a condition to take care not only of the export grain trade from that port, but also of the domestic grain trade, as the mills and farms throughout central Ontario are supplied from Collingwood, and, as I have already said, the present facilities are not at all what they should be.

Mr. SPENCER: It was not very satisfactory to-night to find that the figures quoted by the minister and by the hon. member for Macleod (Mr. Coote), emanating from the same department and dealing with the same subject, differed so much. It is true the minister invited the hon. member to come to his office and make a comparison of the two sets of figures to see which set is right, but I would ask the minister after this comparison has been made to be kind enough to give the correct figures to the House the next time his estimates are up.

Mr. LOW: Yes.

Mr. MILLAR: I think the minister could do a great deal of good for the grain trade if he would distribute all the information given in the reports issued by the chief grain inspector and the chairman of the Board of Grain Commissioners. I am afraid one trouble is that those in the Old Country who are buying our grain do not know the facts as brought out in those reports. The statement was made that those importers were compelled to take the grain from whatever source it might come, whether from the American seaboard or not. I very much doubt that. From what I heard those men say themselves, I gathered that they had ceased taking grain from certain American seaports for the very reason which has been stated here to-night. If the minister would have those reports on hand at Wembley, for instance, I think they would do a great deal of good. The British grain importers are very eager for such information, and I think by this means a lot can be done to have our grain pass through Canadian channels.

Mr. LOW: I suppose during the year at least 100 individual farmers in the western provinces have addressed complaints to me, and in every case I have written a personal letter to the chairman of the Grain Board asking him to make an investigation at once.

Mr. MILLAR: I think the minister misunderstood me. I am referring to importers in the British Isles who are buying our grain. Largely in initiative rests with them to say where the grain shall come from.

Mr. LOW: Any complaints that come to us are investigated, because we realize it is of the utmost importance that we keep faith with the people in England to whom the grain is sold.

Mr. MILLAR: I think if the minister waits until complaints are received he will not be doing the service that is in his power. If this information was spread broadcast in Great Britain I think the maximum good would be accomplished.

Mr. LOW: Does my hon. friend know that at the present time one of the members of the Royal Grain Commission is in England investigating any complaints that may be made to him?

Mr. MILLAR: I am aware of that, but I know he will not come in contact with one-quarter of the grain people there. I am sure that if those reports were circulated over there they would do a great deal of good and the results would be well worth the expenditure involved.

Mr. GRAHAM: Mr. Chairman, in London to-day there is what is known as the Canadian Importers' Association. If the gentleman to whom my hon. friend (Mr. Low) referred meets the members of that association he will come in touch with all the angles of Canadian trade. The Minister of Agriculture (Mr. Motherwell) and myself had an opportunity of addressing the association while we were in London. We found that they are anxious to get all the information possible to help them to increase their business, which is the importation of Canadian products. My hon. friend across the way (Mr. Ross) spoke about the exportation of grain through Canadian ports. We are all anxious to have this done. I think this is an opportune time for me to say that the route over which Canadian products will go is, in a measure at least, in the hands of the producers themselves. My hon. friend shakes his head. Well, I will put it in a milder way: If the Canadian producer is anxious to have Canadian products go through Canadian ports, he can use his influence to this end. Western farmers or dealers can have their export products sent through Canadian ports if they so route them. The rates to Halifax and St. John are the same as the rates through American ports.

Mr. LUCAS: When the farmer dumps his grain down the elevator he loses control of it.

Mr. GRAHAM: I grasp that, but if the farmers of the West would use their influence to have their products sent through Canadian ports I have no doubt that they could impress upon the man who is routing it the desirability of doing that. We can only develop our Canadian ports by community effort. I merely wish to throw out the suggestion as to the advisability of helping out in this direction in every way we can. It may cost the railways a little more to haul the traffic to Halifax or St. John, but they are bound to carry it the way it is routed. Without the co-operation of all Canadian citizens we cannot develop our Canadian ports.

Mr. CALDWELL: Is the rate on wheat the same, say, from Winnipeg to St. John as it is from Winnipeg to Portland by rail?

Mr. GRAHAM. Yes, the rates are the same. There was a differential against Halifax until a few months ago, but that has been removed, and although it would be cheaper for the Canadian railways to haul to Portland they have to give the same rate to Halifax or St. John that they give to Portland. Now, send your products by Halifax and St. John and help us to develop our Canadian ports.

Mr. COOTE: Well, it costs more to ship wheat from Fort William to Port Colborne than it does to ship it from Fort William to Buffalo. The remedy for that condition rests with the government; if they will abrogate the coastal shipping law, then wheat can go from Fort William to Canadian ports as it now goes from Fort William to American ports. The minister suggests that we are all anxious to have Canadian grain handled through Canadian ports, but we are raising and shipping down to Fort William more grain than our Canadian boats on the lakes can handle. So long as the present coastal shipping law remains on the statute book, about 40 per cent of our grain must go through United States channels. United States boats are not allowed to take our grain from one Canadian port to another Canadian port, so when a United States vessel loads grain at a Canadian port she must discharge it at an American port. That grain is lost to Canada; yet the government seems to think it must maintain that coastal shipping law. In the fall of 1922 some of our shippers were being penalized to the extent of 2 or 3 cents a bushel because they tried to have their grain handled through Canadian ports. Prominent grain dealers in western Canada were wiring this government

asking them to suspend the coastal shipping law so that they could ship the grain to Port Colborne at the same rate that they were paying to Buffalo. But the government made no move in that direction, and a lot of our grain which might have gone through Canadian channels was forced into the United States. Until this coastal shipping law is repealed it will be impossible for our grain to get out through Canadian ports, and until the people of eastern Canada realize that, the grain will continue to go through American ports no matter how much we get up in this House and talk about the desirability of keeping Canadian grain in Canadian channels.

Mr. GRAHAM: A large proportion of Canadian grain does go down as far as Montreal and thence to Portland, but it is possible for the western shipper to see that that grain goes to a Canadian port instead of to Portland. Leaving out the Buffalo end of it altogether, that would be a good beginning. I have advised the Canadian shipping companies to have their representatives go to western Canada to discuss this whole situation with the western people and if possible come to some arrangement by which the Canadian ports will be given a preference. This suggested abrogation of the coastal laws is a very big question. Canadian ships are not allowed to do any coasting in the United States, and we have to take some steps to protect our own interests. But it must be remembered that Canadian ports carry a lot of United States grain simply because the shipper works in unison with the dealer in grain in the United States. My idea is to get the western people and the Ontario people in the frame of mind that they will do their best, everything being equal, to have their grain shipped through Canadian ports. If that is done, it strikes me that it will be a much easier task to regulate the freights than if we all stand aloof and take the attitude that we are going to send through the United States if that is better. We do get large shipments of grain from the United States through Montreal, because that is a better way of shipping it. I realize that there are difficulties but I want to sound the note of the desirability of eastern Canada and western Canada getting together in this matter with a view to seeing what can be done; that rather than stand aloof and say it cannot be done we should be ready to meet with each other with a view to seeing that it is done. I am inclined to think that it is possible to get our rates regulated so that it will not be more advantageous to ship to Buffalo. The Minister of Trade and Commerce and the government are working along that line, but there are many difficulties in the way. We are anxious that our carrying trade should not be handed over to the United States. But the question of abolition of coasting laws does not stop at a ship of grain on the Great Lakes; it is very far-reaching. It is not merely a Canadian question, but an international question; it is ocean-wide, because the question has been raised by Japan whether a ship starting from Liverpool and landing in Canada is not engaged in coastal trade, both countries being members of the British Empire. So we have to be very careful how we deal with the coasting laws, because our carrying trade and that of the British Empire might be interfered with on a very, very large scale. This is a time when consultation and conference and good-will, each to the other, will bring about results very far-reaching, and I have advised eastern men not to stand at long range, but to send their representatives to the West to consult with them as to the advisability of them shipping their grain by Canadian ports. I believe that if we go to work earnestly we can bring about results by which without any detriment to the carrying trade of the Canadian merchant fleet or to the farmers of the West we can get a very much greater volume of traffic sent through our Canadian ports than we have at the present time.

Mr. CALDWELL: Is there not a provision in the Canadian Railway Act that all unrouted freight originating on the Canadian Government railways shall be shipped through Canadian ports, and if so, is that provision being carried out?

Mr. GRAHAM: That is not in the Railway Act. There is a clause of that kind in an agreement made, I think, with the Canadian Northern Railway, in which they got some subvention, but it is difficult to carry that out because it is easy for a shipper to say to the railway: Send it some other way.

Mr. CALDWELL: In that case, it is routed. The clause I referred to applies to unrouted freight.

Mr. GRAHAM: There is mighty little traffic that is not routed. You can understand how easily it can be routed if the shipper does not care which way it goes.

Mr. CALDWELL: I thoroughly agree with the minister's contention.

Mr. LOW: In answer to the hon. member for Macleod (Mr. Coote) who asked why there was such a great difference between lake freights between Fort William and Port Colborne and Fort William and Buffalo, the last complete figures I have are for the year 1922, and they show a difference of .62, or about three-fifths of one per cent per bushel in favour of the Canadian port. I am sure that my hon. friend will agree that that is a very favourable advantage for Canadians. In view of the fact that Buffalo claims that they can handle grain cheaper than some Canadian ports, and the further fact that they have iron ore and coal to carry, while the Canadian boats in some cases have not, that lower carrying charge is really to the advantage of Canadian shippers.

Mr. BAXTER: Mr. Chairman, I do not want to talk too long at this time of night. At the same time, I would not like to let the occasion pass without the comment I think it deserves. In the Maritime provinces particularly, the words just uttered by the Minister of Railways and Canals will, I think, be heard with a great deal of appreciation, and I do not propose that the line which politically separates us on the two sides of the House shall prevent me in any way from expressing appreciation of the policy which he has just enunciated. It is distinctly good and distinctly Canadian, and, if I may borrow a phrase from another quarter of the House, a step in the right direction. We will be glad to have a great many other such steps taken.

Without in any way detracting from what the minister has said, I want the House to realize that St. John as it is to-day, ready, willing, anxious to carry as much of the trade of Canada as it can secure, and not I think unduly jealous of the other great port in the Maritime provinces, Halifax, could not so far as the Canadian National Railway is concerned take full advantage of the trade of the West if it were being forwarded in the direction of St. John to-day. By means of the other national railway, the Canadian Pacific, we are getting a share of it, and we are willing and would be glad to have that share increased, but I want to emphasize at this moment that it is the business of this country not to make expenditures for terminals in Portland, Maine, but to make those expenditures within Canadian territory, at Halifax and at St. John. The Canadian National Railway to-day has a small grain elevator on the eastern side of the harbour of St. John. That elevator is used only to some extent; I doubt if it is used at all to its capacity. There is about one berth available in connection with that railway. You cannot handle any reasonable proportion of the trade of the West through such facilities as those. There is opportunity in the vicinity of the new dry dock, and it is said there is a programme of development to go on there to make the National Railways capable of carrying its portion of Canadian trade through this Canadian port. I would like to see that programme implemented by some equal declaration on the part of the Minister of Public Works.

I would also like to see on the other side of the harbour, on the western side, the opportunity of the Canadian Pacific railway to handle the trade of the West made greater by the actual construction of the breakwater to Partridge island, and the completion of the programme to which the government of Canada is solemnly bound by what is known in St. John as the tri-partite agreement. That agreement provided for the building of wharves by the Canadian Pacific Railway and the government in conjunction. It has remained a dead letter almost from the day it was executed, and yet until these facilities are provided, the spout is not sufficient to handle the grain. That is no reason why we should not ask to get it in the East; but it is the reason why we should come to parliament and try as patiently as we can to convince, not the government alone, but to convince the whole of parliament, the group from the section from which I am speaking as well as the group supporting the government and the group situated to my left, that there are real opportunities in the Maritime provinces for handling this business, and that it is only fair, just and right that a reasonable portion of the resources of the Dominion of Canada should be expended in making those ports fit for the handling of this business. Add to that the encouraging sentiment put forward and so well expressed by the Minister of Railways (Mr. Graham) to-night, and I think we can take a very decided step towards making a more united Canada than in the past.

Mr. FINN: I agree, Mr. Chairman, with the hon. member for St. John (Mr. Baxter) in the remarks he has just made in connection with business for Maritime ports. We have a condition at the port of Halifax that is going to be partly met by an estimate in the department of the hon. Minister of Trade and Commerce that will come up to-night, or perhaps, if it will suit the hon. leader of the opposition, tomorrow would be a better time.

But I can assure hon. members of this House that the sentiments just expressed by the hon. member for St. John are shared by the people in the Maritime provinces; and I think that all hon. members, whether they come from the far Pacific, whether they come from the great province of Ontario or the province of Quebec, or from the middle West, should know that in the Maritime provinces—and I speak more particularly for the port of Halifax, and my hon. friend from St. John has spoken for that city—there are no jealousies existing to-day between those two ports. They are the only Canadian winter ports in Canada.

Some hon. MEMBERS: No, no.

Mr. FINN: I mean in the East. I beg the pardon of the hon. gentlemen opposite. The Minister of Public Works (Mr. King) who sits near me was about to demur to that statement, and I was about to correct my statement even before I was corrected by hon. members on the other side of the House. When we take into consideration the fact that we have to-day 23,000 miles of railway under the operation of Sir Henry Thornton and his board of management and the statement that there is practically little or no business through the Maritime ports on the Atlantic sea-board over that great system in winter, and, that the traffic must go to Portland, or to New London or to the other American ports, I say preservation is the first law of nature, and I desire to repeat, in the words of my hon. friend from Brantford (Mr. Raymond), that we want to be a hundred per cent Canadian in the Maritime provinces, in the great province of Ontario, in the province of Quebec, in the middle West, and in far-away British Columbia. I was pleased to hear the remark of the Minister of Railways to-night that the removal of the differential of one cent as against Halifax put the port of Halifax as a port to-day on the same basis as St. John and Montreal and on the same basis as Portland, New York, Philadelphia, Boston and New London. If that is so, there is no reason why the hundred per cent Canadian in the West, whether he be a grower of grain or a broker who ships it out, or whether he be a purchaser, should not be a hundred per cent Canadian in the East, and when he can get the same rate through the ports of Halifax and St. John in winter, as against Portland, New York, Philadelphia or Boston, he should utilize these Canadian ports for the purpose of transporting that grain to the Mother Country and to any other parts of the world where it is required. I say, Mr. Chairman to-night, as I said before, that if our Canadian people are not a hundred per cent Canadian, if they are not going to look after the development of their own ports, but are going to sacrifice the interests of Canada and prevent Canada from becoming a great nation for their own self aggrandizement, it is the duty of this government or any other government that is in power, to see to it that grain and other products are shipped through Canadian ports; and if these products are not shipped through Canadian ports, then the government should consider whether or not an export duty should be placed on products shipped through foreign ports. Consider what the United States is doing to-day. What is it doing? It is giving a differential over its railways on all freight that is going to be carried across the ocean in American bottoms. They are a country of 110,000,000 people, and we have scarcely 9,000,000 people.

Mr. MILLAR: Did they not propose that legislation and afterwards withdraw it?

Mr. FINN: No. If I am not mistaken they attempted to withdraw it, and I understood that under the law it was held in abeyance, but it is their intention to put that differential into effect, in order to obtain the traffic for American bottoms. My hon. friend shakes his head. I may say that I read the report of the Interstate Commerce Commission, and I read the application that was made for the staying of those proceedings, but it was only temporary; it has been held in abeyance and is to come into effect later. Even taking the statement of my hon. friend, it shows what public opinion in the United States is to-day. It shows the tendency of the public mind, not only the mind of the public man but of all the people of the United States; and if that is the tendency and if that is the mind of 110,000,000 of people in that country, surely it is up to us as a Canadian parliament and as a Canadian people to see to it that we protect our Canadian ports, and that we send through Canadian channels that which will help to make our country great and prosperous. If we fail to do that we are recreant in our duty. My hon. friend on the other side laughs. It is all very well for him to take that attitude. He is living in a country where he does not care very much about the Atlantic ports. There are hon. gentlemen in this House and in this country living in our middle West who do not care whether the grain goes to American ports or Canadian ports as long as Providence gives them the soil, the rain,

the sunshine, and the season, enabling them to grow the crops and sell them to the broker, the question as to how they are transported from this country means little or nothing to them. But there is a principle involved; and I desire to say to my hon. friends that when we in the Maritime provinces entered confederation in 1867 we gave to this great country a Maritime frontage that otherwise they would have been without. The moment the St. Lawrence closes Canada as a nation is without a national eastern seaport. If the American governments and the American people put an export duty on Canadian produce going through American ports, where would the Canadian people be for six months of the year? We gave that frontage to this great Dominion, we gave up our right to enter into fiscal relations with the 110,000,000 people to the south, and now we are told that when the St. Lawrence is closed by Providence it is only right that Canadian products should be transported to Portland, New London, New York or Boston. Are we, the Maritime people going to stand for that?

Mr. SALES: Would the hon. member permit me to say that the other night I advocated the shipment of grain through Canadian channels as far as possible. No hon. member on this side of the House has made any such insinuation as the hon. gentleman is making at the moment.

Mr. FINN: I beg the hon. gentleman's pardon. I prefaced it with the word "if." I said: If it was the opinion of gentlemen—I did not say who sat in the House, but I said gentlemen who lived in the Canadian West, the men that were growing the wheat. I do not desire to detain the committee; but it is only fair and right that as a representative of the East, I, along with the hon. member for St. John City (Mr. Baxter), should have made this statement here to-night to show that we are alive to the interests of the Maritime provinces, and we are not going to quit either in this House or in this country until we get our right which is due us. When we have that we shall be satisfied, and you will not find us complaining either here or in the country.

Mr. SPEAKMAN: In spite of some remarks of the last speaker (Mr. Finn), I may say that I have a very sympathetic appreciation of the statements made by all three hon. gentlemen who have just addressed the House; that is, I am a sufficiently good Canadian to want to see all the traffic, commercially possible, carried through our own ports and over our own railways. I think the Minister of Railways and Canals (Mr. Graham) was hardly correct in stating that the farmers of the prairies had very much influence in routing their grain after it got east of Fort William. The men who ship their own grain route it to Fort William, and they can naturally say how it will go, either Canadian National or Canadian Pacific. But when the grain gets to Fort William, that is their market; but beyond that, practically all our grain is handled by the men who purchase it from the farmers, and they are the men who must be approached in the matter. No matter what our sympathy, whether we ship by car or in any other way, we have no control over the routing after the grain arrives in Fort William and is unloaded in the elevators there.

When I was at home, I wondered at times, and since I have had the pleasure of an opportunity of visiting the ports of Halifax and St. John which, I saw, were fine natural harbours, I wondered why our grain went through Portland and other American ports instead of through our ports in the Maritime provinces. I discussed the matter at some length, and I began to realize why it was; that with all the goodwill in the world it is hard to buck against natural facts or financial, not theories, but actualities. From Montreal to Portland over the Canadian National Railways—and I presume all the grain going to any of these ports must go through Montreal—the distance is 297 miles. From Montreal to St. John over the Canadian National Railways it is 743 miles and from Montreal to Halifax over the Canadian National Railways it is 843 miles. There is the reason in a nutshell. By the Canadian Pacific—this does not apply to Halifax, but it does to St. John—the distance from Montrael to St. John is 481 miles. There is the reason. The cost, it is true, to the shipper is the same. That is, there is exactly the same rate from Montreal to any of those ports; but you can quite understand why the railway itself, which is supposed to show an operating profit, chooses the shorter route. There is the physical fact that we are up against. That is the disability under which those Canadian ports are labouring. I wondered over this many times, as I discussed the matter with gentlemen I met in those eastern ports and as we discussed it on our way home. Sympathetic and anxious as we were to see those ports prosper, we discussed many times how, through our co-operation or in any other manner, that disability could be overcome.

Mr. FINN: The distance is greater than from Montreal to Portland, but the rate is

the same as to St. John and Halifax. If the railways were prepared to haul and time was not a great factor, what is the argument in favour of Portland as against St. John and Halifax in the winter?

Mr. SPEAKMAN: I said that from the point of view of the shipper, unless time was an element, it made no difference which way the grain was routed. From the point of view of the railway which receives the same money for hauling a much greater distance, you can readily see why they, bound, if possible, to show an operating profit, would, as a business concern, prefer the shorter route. That is my point.

Mr. FINN: The distance from Montreal to St. John over the Canadian Pacific is 184 miles further than the distance from Montreal to Portland. Why would the Canadian Pacific haul 184 miles further to St. John? Why would they not go to Portland?

Mr. SPEAKMAN: I am not quite certain whether the Canadian Pacific has a definite connection to Portland.

Mr. FINN: And the Canadian National should not have either. If we have, we should not use it in order to ship Canadian products.

Mr. SPEAKMAN: I have no intention at this time of night of entering into an argument with the hon. member for Halifax as to the advisability of owning the American portion of the National Railways. That is a rather large subject. As to the righteousness of utilizing it if we do own it, that is a rather large subject again. I was simply pointing out, as best I could, where the difficulty existed. I am not pointing this out through any lack of sympathy, because if you are going to meet a problem, you must understand the problem. My sympathy is with Nova Scotia. I like Nova Scotia things. I went and got a wife from Nova Scotia, and I could not have paid that province a greater compliment. There is the problem, and there is no use in closing our eyes to the fact that a difficult problem exists and that the president of a railway, whose connection with the railway is a purely business concern, who is bound, if possible, to make this railway pay so as to reduce deficits to the vanishing point, to produce a revenue and to pay interest charges, is justified from his standpoint of view in using the shortest, most economical route and the route that will bring him the most money.

[Mr. Finn.]

Mr. MILLAR: Has the hon. member considered also the factor that has not been mentioned yet, namely; that the ocean rate from New York and Boston—I am not sure about Portland—to Liverpool is about two cents better than the rate from Canadian ports?

Mr. SPEAKMAN: I am aware of that fact, but I had not quite come to that point because I was still on dry land. I was discussing the problem of the railway in moving the grain to the port. A number of us, anxious, although we live in the Middle West, to see the best done for the whole of Canada, were discussing and considering how that difficulty could be met. To my mind it is an unfair thing to say to a railway that is struggling to overcome a deficit: You must, at the same price received, haul grain a much greater distance at a much greater cost. There is also the additional factor that, on the whole, the grade is better to Portland, and again that there is more return freight from Portland. Those are factors which you cannot overlook, and from a railway point of view the argument in favour of Portland is incontrovertible. Then comes the other point —in what way can you meet that difficulty? I am not advocating this; it must be a matter of government and not of railway policy. But to my mind there is only one thing that could be done; the government might say, "It is in the national interest that we should ship through these ports and that they should be developed." But are we prepared to subsidize the railways to pay the difference? I am not advocating that. I am simply saying that this is the only sound business way of approaching the matter, and it is useless to try to camouflage things and to blind ourselves to the situation. Are we prepared as a country to subsidize the railways to pay the difference in the cost in order that the grain may go through these ports? At the present time I have not made up my mind that this is wise and I am not going to offer the government any advice; I can only say that I am thankful that the responsibility is not mine. That, however, is my point of view. Eventually grain and merchandise must go by the way it can be carried cheapest, from the business point of view; and if the business point of view and the national point of view conflict, as they may do in this case—and I am not saying that they do—then the matter is one not

of railway policy but of government policy. It is not a policy for the business men and the railways to initiate; the government must meet the situation.

Mr. LOW: I am able now to add a few figures to those I have already given the hon. member (Mr. Coote). I stated that the Fort William to Port Colborne rate was less by three-fifths of a cent than the rate from Fort William to Buffalo. I should correct that; it is lower; it is two-fifths of a cent. The rate for the year 1923 for seven months, amounted to 3.63 to Goderich and 4.36 to Buffalo, a difference of three-quarters of a cent less to Goderich or bay ports than to Buffalo; and from Fort William to Port Colborne it was a quarter of a cent less in 1923 than to Buffalo. These to the Canadian ports are less than to American ports.

Mr. COOTE: I must admit that the minister has the advantage of me in quoting figures in regard to lake freights because I have no figures before me to answer him. But I would suggest to the committee that if we could find as much discrepancy in these figures as occurred in those the minister quoted before we might discover that a wrong impression, if I might put it as strongly as that, had been created in the committee. I regret I have not here the report of the royal commission which examined into the matter of freight rates on the Great Lakes in the year 1922. I am sure I could show to the minister that the rates to Buffalo early in that season were one and a quarter cent less than to Port Colborne and that specific complaint in regard to that was made by Mr. James Stewart. He asked the government to suspend the coastal shipping law so that he might not be penalized by paying this high rate which made it difficult for him to compete with American millers. This government absolutely refused or neglected to suspend that law in 1922. If I had the correspondence which was brought down that year between the government and the different parties in regard to this suspension I am sure I could show the minister that the rates to Goderich and bay ports were much higher than they were to Buffalo, although the distance to Buffalo is several hundred miles greater.

There has been a good deal of talk here to-night regarding the question of the shipment of grain from Montreal to Atlantic ports, but that is only a very small percentage of the grain which is going out of Canada through Buffalo, and through Buffalo to the different American ports on the Atlantic coast. The one great fact which must not be overlooked in connection with this shipment of grain through Canadian channels is that so long as this shipping law remains on the statute books 40 per cent of our grain—and I think I am placing the estimate very low—is forced to go through American channels. It cannot go to Montreal to have even the chance then of going through Halifax or St. John. I think that possibly we have dwelt on this question long enough; I presume that most of the members of the committee at this hour of the morning do not care to pursue the subject much further. But the question of the mixing of Canadian grain is one which must de dealt with and placed in a more satisfactory position than it occupies at the present time. Last year, in the month of July, Canadian wheat was 10 cents a bushel lower on the Liverpool market than Australian wheat, although we are always told in this House that we have the best wheat in the world. In conversation with a representative of one of the largest milling firms in Great Britain I was informed that in his opinion one of the reasons was that the Canadian grain which they bought could not be depended upon to be up to standard. He said that if our farmers could form a strong enough pool they could place their own inspectors at the elevator from which the grain left Canada, place their own inspection certificate on that grain, and place an agent in the Old Country who would examine the grain when it went there, and if any claim were made that it was not up to standard, the grading and sample could be made good to the English buyer. If we did that, he added, we could raise the price of our wheat, because, as he said, there was no question in the world that a lot of the grain they bought in England had been lowered in grade or sample.

This is one of the most important questions in connection with the grain trade, and so long as the bulk of the wheat which is going through Montreal is American wheat there is danger of the cargoes which go from Montreal being tampered with as well as the cargoes which are going from the United States. I want to impress upon the minister that I have been assured that the grain which has gone from Vancouver has so far been on an average of a better sample for the same grade than the grain going through Montreal. This goes to show that it is possible that the grades which are going out of the elevator at Montreal are not in all cases what they should be.

Mr. LUCAS: It is not my intention to discuss the matter at any length at this hour, but there is one point that has not been discussed this evening. We all agree that the routing of Canadian grain through Canadian ports is a matter of great importance. I would like to point out to the Minister of Railways, who dealt with this question a few minutes ago, a remedy which would in a great measure prevent our grain going through American ports; that is, the routing of a great deal of it through the port of Vancouver. He could lend a great deal of assistance to this end by using his influence to have the mountain scale of freight rates reduced in proportion to the rates prevailing in other parts of the country. The minister told us this evening, as was pointed out by the hon. member for Red Deer (Mr. Speakman), that while the distance from Montreal to Portland is only 297 miles, as against 743 miles from Montreal to St. John, that the railways give exactly the same rate in both cases. And while the distance from Calgary to Fort William is 1,280 miles, as against only 640 miles from Calgary to Vancouver, yet we have to pay practically the same rate for the shorter haul. This in my opinion is a gross discrimination, especially against the people of Alberta because of the fact that Vancouver is their natural outlet. Although about two years ago only half a million bushels of wheat went through the port of Vancouver, this year already over fifty million bushels have been exported from that port, amply demonstrating that it is a feasible route. Last year Alberta produced 167,000,000 bushels of wheat, and every bushel of it for export would find its natural outlet through Vancouver, as would also a great portion of the Saskatchewan crop. The diversion of this wheat to the western route would relieve the eastern route to such an extent that it would be able to practically take care of all the grain that would naturally go through our eastern ports, and thereby render unnecessary the use of the American Atlantic ports for this purpose. I think the Minister of Railways will agree with me that through the Yellowhead pass the Canadian National Railways have as easy a grade as will be found on any other part of the road in Canada. Therefore in my opinion there is no reason why we in the West should be discriminated against by the mountain scale. I trust this matter will be given careful consideration with a view to our getting the same treatment in regard to freight rates as is enjoyed by our friends in the East. I am entirely sympathetic with the aspirations of our Maritime ports, and I should like to see every bushel of grain that is going out from the Atlantic seaboard handled through those ports to the fullest possible extent; but I believe the natural outlet for a great portion of our western grain is through the port of Vancouver, and I think this route should be given every encouragement.

[Mr. Coote.]

Mr. LOW: I agree very largely with the remarks made by the hon. member for Red Deer that the individual farmer loses control of his wheat once it reaches Fort William, when the buyer determines the route which it shall follow. I know from personal experience that the seller of 400,000 or 500,000 bushels of wheat immediately asks how the buyer wants it routed. So the individual farmer, if he is shipping a car load through to Montreal or to Halifax or even across the ocean, is given this opportunity of saying how he wishes it routed; but the individual farmer undoubtedly loses control of his grain once it reaches Fort William.

Item agreed to.

Mr. LOW: There is one other item.

Sir HENRY DRAYTON: I thought my hon. friend was through. I have been keeping quiet so he could get his vote passed.

Mr. LOW: This is a very small item, and I think my hon. friend will allow it to go through without even a comment—Number 380.

Elevators, government terminal, maintenance of and necessary equipment, $60,000.

The CHAIRMAN: It is attached to the last vote.

Item agreed to.

Progress reported.

TUESDAY—BUSINESS OF THE HOUSE

Hon. GEORGE P. GRAHAM (Acting Prime Minister): Mr. Speaker, with the consent of the House I beg leave to move, seconded by Dr. King:

That the order of business on Tuesday the 24th instant be the same as on Monday the 23rd instant.

The object is to bring on private bill No. 47 to incorporate the United Church of Canada.

The DEPUTY SPEAKER: Is it the unanimous consent of the House to adopt this motion?

Motion agreed to.

On motion of Mr. Graham, the House adjourned at 12.40 a.m. (Thursday).

Thursday, June 19, 1924

The House met at three o'clock.

PRINTING OF PARLIAMENT

PROPOSED AUTHORITY ON SPELLING

Mr. GAUVREAU (Translation) presented the third report of the joint committee of the Senate and House of Commons on Printing.

. . . . Also the committee recommends that the order in council of June 12, 1890, defining the method of the spelling of certain words in official documents printed in the English language, shall continue to apply and be extended to all words in the English language; and that the New English Dictionary, known usually as the "Oxford Dictionary," be the standard spelling to govern all the public departments.

Mr. SPEAKER: With all due regard to the joint committee on the Printing of Parliament, the last paragraph of their report need not be taken in consideration by the House as it relates to a matter which was not referred to the committee. Under the rules and customs of British parliaments, standing committees are not administrative bodies and their power is limited by such orders or instructions as may be given the House. When the committee on Printing was formed the House passed the following resolution:

That the select standing committee on Printing be empowered to examine and inquire into all such matters and things as may be referred to them by the House; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

It is evident, therefore, that since the question of the orthography used in official documents by the various departments was not referred to this committee, it had no authority to report thereon and the last paragraph of the report should be struck out. When the House is called upon to give its concurrence I shall rule then that this paragraph is out of order.

I may add that the House is perfectly free to refer the question of official orthography to this or any other committee, but until it has done so, no committee has power to take it up and make recommendations.

I most strongly hold, however, for the King's English, and it is quite proper that the various departments should understand that the standard English spelling should be used in official documents. If the matter had been referred by the House to that committee, then it would have been their duty to consider it. I say this in all fairness to the members of the committee who are doing their duty splendidly.

Mr. GAUVREAU: At the end of the session of our committee we could not refuse the petition of Mr. Fred Cook who asked that this question be considered by the committee, and we agreed to that.

Mr. SPEAKER: But the House of Commons is above Mr. Cook or any other official.

Mr. MACLEAN: (York): I brought up the question, and inasmuch as that question was not referred to the committee for consideration, I would be prepared to move that now.

Mr. SPEAKER: That question will come up when the motion for concurrence is made.

NATIONAL RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo) presented the first report of the select standing committee on National Railways and Shipping as follows:

Your committee has considered item No. 138 of the Estimates for the fiscal year ending March 31, 1925. namely, loan to Canadian Government Merchant Marine Limited $900,000, and approve of the said item.

HON. MR. MURDOCK AND HOME BANK

Mr. JOSEPH ARCHAMBAULT (Chambly and Verchères): I had given notice that I would move to-day concurrence in the second report of the select standing committee on Privileges and Elections and it was my intention to do so. The hon. member for West Hastings (Mr. Porter) however, has telephoned me that he is ill. It would be repugnant to me to do anything that would inconvenience the hon. member, who throughout the proceedings has shown every courtesy to the Chair. At the same time the hon. member and the House will realize that the hon. the Minister of Labour (Mr. Murdock) is most anxious to resume his seat and this delay is causing him great inconvenience. I have therefore arranged with the hon. member for West Hastings to proceed on Wednesday, the 25th instant, and I now give notice that on that day I shall make the motion which I intended to move to-day.

Mr. MEIGHEN: It would scarcely be proper to proceed with a motion of that kind in the absence of the Prime Minister (Mr. Mackenzie King). The matter could not have been proceeded with in the last two days, anyway.

CAPITAL PUNISHMENT

Mr. J. F. WHITE (London): I beg to present a petition from the Union Mothers' Club of London, Ontario, with reference to the establishment of a central place of execution in Canada.

HOME BANK

Mr. J. H. HARRIS (East York): I beg leave to lay on the table a petition signed by 38 persons humbly praying for the indemnification of the depositors of the defunct Home Bank.

IMMIGRATION ACT AMENDMENT

Hon. J. A. ROBB (Minister of Immigration and Colonization) moved for leave to introduce Bill No. 195, to amend the Immigration Act.

He said: The bill contemplates very minor changes. With respect to persons ordered to be deported, if an appeal is granted, the time spent in Canada shall not be counted in the period of residence which is necessary to acquire citizenship. If the head of a family is ordered deported the minister may compel the transportation company to take back with him the members of his family who accompanied him. The amendment provides also, under certain conditions, that free transportation shall be given to the immigration officers of the different provinces. There is a reference to medical attendance, and there is also some change in regard to the Opium and Narcotic Drug Act in relation to immigrants.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS

Bill No. 193) (from the Senate), for the relief of Alfred Edward Briggs.—Mr. Simpson.

Bill No. 194 (from the Senate), for the relief of Louisa Elizabeth Smith.—Mr. Martell.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—RATE REDUCTIONS IN SYDNEY

Right Hon. Mr. MEIGHEN:

Referring to parliamentary return No. 239; with what officials of the Canadian National Railways were interviews held by the Minister of National Defence in which interviews the statements as to coming rate reductions made by such minister in North Sydney on the 28th July, 1923, were authorized?

Hon. Mr. MACDONALD (Pictou): Interviews were held by said Minister with Mr. Dalrymple and Mr. Watson of the Canadian National Railways in the month of July regarding freight rates.

RIFLE SIGHT BRIDGES

Mr. ARTHURS:

With reference to sessional paper 236, what firms were asked for tenders by the Department of Militia and Defence for 10,000 rifle sight bridges, as mentioned in the said sessional paper, (a) in Canada; (b) in Great Britain?

Hon. Mr. MACDONALD (Pictou):

(a) In Canada: Messrs. MacKay & Fraser Ltd., New Glasgow, N.S.; (b) In Great Britain: The Birmingham Small Arms Limited, Birmingham, England, through their Canadian representative Messrs. Fraser Company, Montreal.

WEIR LICENSES

Mr. HANSON:

1. Has the Department of Marine and Fisheries decided to amend the fishery regulations so as to provide that a condition be inserted in each weir license issued by the department, providing that no fish caught under said license so issued by the department shall be sold at less than a minimum price named in such regulation or to the like effect?
2. When was such regulation passed and what minimum price has been fixed?
3. How does the department propose to enforce such regulation?
4. When will such regulation go into effect?
5. Has the department the right to pass such a regulation under the Fisheries Act?

Hon. Mr. CARDIN:

1 and 2. It has been made a condition of the sardine fishery licenses for Charlotte and St. John counties that the licensee will not dispose of his catches to be exported fresh out of Canada for less than $10 per hogshead. This course was requested by the sardine fishermen and weir owners of that district.

3. By withholding the license if this requirement is not complied with.

4. June 12.

5. No such regulation is being obtained.

FISH HATCHERY—BEDFORD, N.S.

Mr. BLACK (Halifax):

1. Was there a dwelling built at Bedford, Halifax County, Nova Scotia, last summer for the keeper of the fish hatchery?
2. If so, was it built by tender, and who was the contractor?

3. What are the names of those employed, the rate of pay and total amount paid to each?
4. What are the names of firms who supplied material and the total amount paid to each?
5. What was the total cost of the building?

Hon. Mr. CARDIN:

1. Yes.
2. No.
3.

Names	Rate of pay	Total paid each man
Alex Heffler..	$ .70	$ 725.50
Lewis Boutilier.. ..	.35	106.40
David Pulsifer.. ..	.35	35.00
Chas. Willis..	.50 / .35	96.70
Samuel Heffler.. .. .	.60	452.40
F. Hoffman..	.60	459.60
James Redmond.. .	.60	265.80
R. E. Poverill.. ..	.40 (load)	112.00
R. S. Davison.. ..	125.00	813.50
Robt. Barrett.. .. .	.60	454.80
Leslie Heffler.. .. .	.50 / .35	314.00
Arthur Roche.. .. .	.35	17.50
H. Horne..	.60	270.00
John Gritt..	.35	45.50
Fred Ward..	.75	34.50
George Haystead.. .	.65	59.80
James Butler.. .. .	.30	27.60
R. T. Sinfield.. ..	.80	61.60
R. White..	.80	64.00
Thos. Muldowney.. .	1.00	212.00
C. Carr..	.40	84.80
C. Fitzmaurice.. ..	.60	98.40
J. R. Haystead.. ..	.65	21.45
M. McDonald.. ..	.35	7.00
Chas. Whitely.. ..	.65	7.80
W. Smith..	.35	64.40
W. Frechleton.. ..	.90	136.80
		$5,075.85

Part of the time some of these men were engaged in making new troughs for the hatchery.

4.

Name of Firm	Material	Amount
John Davison & Son, Ltd.	Lumber, etc.. .. .	$2,634 42
R. S. Davison..	Auto trips, etc.. ..	73 85
T. A. S. DeWolf & Son..	Gravel, cement.. ..	245 70
Evans & Co..	Paint, putty, wire, etc..	322 30
Melvin & Co..	Dynamite, nails.. .	11 31
Thos. Muldowney..	Iron, pipe, etc.. .	236 31
Hillis & Sons, Ltd.. .. .	Bath,, sink, etc.. ..	347 11
G. H. Haystead..	Electrical fixtures..	51 11
Wm. Robertson & Son..	Wire nails..	50 26
D. Moriarty..	Inspection of electric wiring..	10 00
Northern Electric Co.. ..	Electric fixtures.. .	34 84
H. A. Fultz..	Sharpening drills. .	1 50
R. Peverill..	Cartage..	6 50
J. W. Canfield..	Hasps, padlocks, etc.	3 70
		$4,028 91

5. For labour, $5,075.85; for material $4,028.91; total $9,104.76. This includes the cost of the new troughs for the hatchery.

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. RINFRET:

1. How many ships comprise the government's Merchant Marine?
2. How many ships were originally built?
3. How many were (a) lost; (b) discarded; (c) sold?

Hon. Mr. GRAHAM:

1. 57.
2. 63.
3. (a) 2; (b) nil; (c) 4.

$300,000,000 LOAN

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to provide authority for the raising, by way of loan, under the provisions of the Consolidated Revenue and Audit Act, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required, but not to exceed in the whole the sum of three hundred million dollars, for paying maturing loans and obligations of Canada, and to provide that the principal so raised by way of loan and the interest thereon shall be a charge upon and payable out of the Consolidated Revenue Fund.

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

Motion agreed to.

TREATY WITH FINLAND

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to introduce a measure to provide that goods produced or manufactured in Finland shall receive treatment as favourable as that accorded to goods produced or manufactured in any foreign country so long as goods produced or manufactured in Canada enjoy in Finland the same treatment as is enjoyed by similar goods produced or manufactured in the United Kingdom, as set out in Article 23 of the Treaty of Commerce and Navigation between the United Kingdom of Great Britain and Ireland and Finland, made at Helsingfors the 14th day of December, 1923.

Motion agreed to.

FEEDING STUFFS ACT AMENDMENT

Hon. GEORGE P. GRAHAM (for the Minister of Agriculture) moved that the

House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend The Feeding Stuffs Act, and to provide,—

1. That any commercial feeding stuff which does not contain as ingredients any screenings, scourings, scalpings, oat hulls, oat feed, buckwheat hulls, peanut hulls or shells, cottonseed hulls, peat or moss, or any other material of low feeding value, which the minister shall have power to designate by regulation, may contain a maximum of fifty per cent by weight of bran, shorts, middlings, or feed flour, singly or combined;

2. That wheat flour sold for feeding purposes shall be deemed to be feed flour;

3. That any material, including the scourings or scalpings in addition to all or part of the mill screenings, which has been removed from wheat in preparing such wheat for the processes employed in flour extraction, and which material contains more than eight per cent crude fibre, may be registered and sold as a commercial feeding stuff under the name "Mill Scalpings"; or, if the material has been graded by a grain inspector operating under The Canada Grain Act, it may be sold under such other name as such grain inspector may designate on his certificate of inspection.

Motion agreed to.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. H. C. HOCKEN (West Toronto): Mr. Speaker, has the government any announcement to make about its attitude towards the strike which is now going on in the postal service at Toronto?

Hon. GEORGE P. GRAHAM (Acting Prime Minister): Mr. Speaker, if my hon. friend will renew his question a little later when the Acting Postmaster General (Mr. Stewart) is in his place, I have no doubt that the required information will be furnished.

Mr. HOCKEN: Will I have an opportunity to renew my question?

Mr. GRAHAM: I think before we close, the House will be glad to get that information.

VOTES AND PROCEEDINGS AND HANSARD

On the Orders of the Day:

Mr. C. WALLACE STEWART (Humbolt): Mr. Speaker, I rise to call attention to an apparent error or discrepancy in the record of the proceedings of the House. In votes and Proceedings of June 17, at page 405, I find certain resolutions reported as having been adopted. They appear under the heading "Mail Subsidies and Steamship Subventions" and are numbered 183, 184, 189 and 193. Turning to Hansard of the same date, I find that pages 3319 and 3327 in which the report of the debates on those items occurs contain no record that the chairman of the Committee of the Whole either called the items or declared them carried.

Mr. SPEAKER: I am informed by the Clerk Assistant that the items were passed, and that the record in the Votes and Proceedings is confirmed by the scroll—the famous scroll. There the hon. gentleman can find the evidence that the items in question were passed.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I think attention should be called to the too frequent variations between Hansard and Votes and Proceedings.

Mr. SPEAKER: Certainly, I will call the attention of the chief of the Hansard staff to them.

Mr. MEIGHEN: I am afraid that that will not be the sole cure. I have never observed such discrepancies occur previous to this parliament.

Mr. JACOBS: Does the hon. gentleman suggest a change of government in order to avoid further discrepancies?

GOLD AND SILVER MARKING ACT 1913, AMENDMENT

The House again in committee on Bill No. 176 to amend the Gold and Silver Marking Act, 1913, Mr. Gordon in the chair.

The CHAIRMAN: Section 1, was carried. Section 2 stood.

On section 2—"Platinum" to be applied only to articles of defined component parts.

Hon. T. A. LOW (Minister of Trade and Commerce): Yesterday afternoon when this bill was before the committee my hon. friend the ex-Minister of Finance (Sir Henry Drayton) asked me to allow it to stand over that he might be supplied with further information on the subject matter of the bill. Objection was taken to the amendment by certain hon. members on the ground that it would permit of articles being composed of 99 per cent iridium and 1 per cent platinum. I might point out that at the time this amendment was introduced platinum was selling at about $115 per ounce, and iridium at from $275 to $300 per ounce. I am sure that those

hon. members were under the impression that iridium was an inferior metal. I find that platinum is one metal element, iridium is a metallic element resembling platinum in its general properties and occurring in nature in the metallic form alloyed with platinum. Iridium, osmium, palladium, rhodium, rutheum, are metals of the platinum group. These metals all occur naturally in alloy in the metallic form with platinum; they are not metals or combinations mixed with platinum to produce an inferior article.

Mr. McMASTER: With careful attention one can see the lips of the minister moving, but that is as far as anything comes to this end of the chamber. We really cannot hear at all.

The CHAIRMAN: The chairman has asked for order half a dozen times, but no attention has been paid to the call.

Mr. LOW: We have followed the procedure adopted by Switzerland, a country that largely manufactures gold, silver and platinum goods. I pointed out when this amendment was introduced that platinum was selling at $115 per ounce as against $275 per ounce for iridium. That alone should answer the objection urged by some hon. members that iridium was an inferior metal mixed with platinum. The intention of the amendment is to give platinum the same protection that is given to gold and silver goods.

Sir HENRY DRAYTON: I do not remember anybody objecting to iridium on the ground that it was a base metal. All we want to do is to find out what the amendment involves. As it now stands you can have the pure metal—that would be pure platinum, I suppose; you can have "element platinum," and then again you can have iridium. What is element platinum?

Mr. LOW: The deputy minister informs me that that is a term used metallurgically. It is the platinum, pure, allowing of no further decomposition. It is found in the Swiss act.

Sir HENRY DRAYTON: The bill provides that you can stamp anything as platinum if 950/1000ths of the component parts of the metal appearing or purporting to be platinum are either the pure metal and element platinum alone or in conjunction with iridium.

Mr. LOW: Iridium is part of the platinum itself. It is a metal that is very hard to extract and is consequently very valuable.

Sir HENRY DRAYTON: Nickel ore is the substance from which we get platinum, iridium and these other valuable metals. A large amount of ore goes out of the country which is not refined so far as these rare metals are concerned. The information I want is how we are getting on with the production of platinum, iridium, and so on, from our nickel ores. My hon. friend took the bill out of committee in order to be able to get that information, but we have not got it yet.

Mr. LOW: If my hon. friend will put the question on the order paper I am sure the Minister of Mines will be glad to answer it any time. It is true I said I would have the information, but I have not been able to secure it. My hon. friend knows I was busy last night until one o'clock—

Sir HENRY DRAYTON: Yes, the hon. gentleman kept us here until half past twelve last night, but it was not our fault.

Mr. LOW:—and this morning I was in committee from ten o'clock.

Mr. BAXTER: If at any time we have to define in court the elements of platinum, would it not mean its chemical constituents?

Mr. LOW: I do not think it would. Platinum is itself an element—and cannot be reduced further.

Mr. BAXTER: Then what are the elements of an element? I also suggest that in dealing with platinum and iridium we should deal with all precious metals. There is an extremely precious substance not mentioned in this bill, known as "bunkium". It is a most precious political substance, and it goes about the country to-day with no legislation, with nothing but the government stamp on it to indicate its quality or its source. Why not deal with "bunkium" when you are dealing with the rest of your precious metals?

Mr. MACLEAN (York): Although we have an absolute monopoly of these precious metals, parliament has never yet been put in possession of the facts as to what they are and what their value is. The metallurgists speak of these metals as the "P" metals, P being the sign for platinum. They include iridium, palladium, polonium, chromium and two or three more—at least five in all. Nickel is one of them, and it is a metal of which we have a monopoly. We have all these metals, and they are going out of the country and are being

refined elsewhere. Every nation wants these metals, and we could get a great revenue from them if we had them all analyzed and knew the quantities we had in our country, and adopted legislation that would at least compel the refining of these metals in Canada into the finished article. Nickel is only one of them, but nickel is the basis of nickel steel, and all the world wants nickel steel to-day. We have a monopoly of this metal, but it is being refined over in the United States and in England. The great industries of the world to-day need nickel steel, and they are absolutely dependent upon the nickel ores coming from Canada, and these ores are practically all contained in six square miles up around Sudbury. If that is the case, parliament and the people of this country ought to know it, and we ought to insist on the refining of these ores and the production of the finished article in this country. I have advocated that for years. I brought up the question—

Mr. McMASTER: Mr. Chairman, I rise to a point of order. We are discussing a bill for the purpose of determining how a certain precious metal called platinum shall be marked, and I do not think it is in order on this bill to raise a discussion as to how the natural resources of this country should be developed or dealt with.

Mr. MACLEAN (York): I do not agree with the hon. gentleman.

Mr. McMASTER: I appeal to the Chair.

Mr. MACLEAN (York): That is all very well, but if there is any place where there is free discussion it is in committee, and I am surprised to hear such a reformer as my hon. friend (Mr. McMaster) try to limit the discussion in this manner. We have these metals in our country, and no other country has them.

Mr. McMASTER: Mr. Chairman, I raised a point of order.

The CHAIRMAN: Is there any other hon. member who desires to discuss the point of order? I think the point of order is well taken, and that the hon. member is not in order in his discussion.

Mr. MEIGHEN: Does the minister know whether this wording is employed with reference to other metals used? The reason I ask is because it appears to be about as clumsy as could be conceived. If it is the same wording as the other, there would be an excuse for it, but if it is new, it certainly could be improved on.

Mr. LOW: These words are added to the act as it was before. It says that the act shall be amended by adding to it the word "platinum," so that it will read "gold, silver or platinum."

Mr. MEIGHEN: The first part is all right, and the wording there is correct, except that I would have thought perhaps platinum should be used again, but it is the last part I am directing the minister's attention to—this addition.

Mr. LOW: Will my right hon. friend point out where it is clumsy? I really do not see it.

Mr. MEIGHEN: You have to do some thinking to tell what it means. It says:

> The word "platinum" or any contraction, abbreviation or colourable imitation thereof,—

In the first place, you do not speak about a "colourable imitation" of a word.

Mr. LOW: Of the metal.

Mr. MEIGHEN: The minister is wrong. I thought that, too.

Mr. LOW: Yes, of the metal.

Mr. MEIGHEN: Oh, no; he is wrong. The minister will please be patient with me. I thought it meant the metal, and that got me wrong for quite a while. Now I think I see what it means, but I am only right on the hypothesis that it means a colourable imitation of the word. What is meant is any contraction of the word, any abbreviation of the word, or any colourable imitation of the word. There is no question about that. The minister has not understood the clause.

Mr. LOW: I quite understand it. I am sure it is very clear.

Mr. MEIGHEN: The minister will not say it means a colourable imitation of the metal.

Mr. LOW: No.

Mr. MEIGHEN: He said that first.

Mr. LOW: No, I did not. I said it referred to a colourable metal.

Mr. MEIGHEN: It does not refer to that at all.

Mr. LOW: The wording is clear. Let me read it:

The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum of which said article consists are either the pure metal and element platinum alone or in conjunction with iridium.

Could anything be clearer?

Mr. MEIGHEN: The minister has come to a new view on the first part; now I will discuss the rest. It means a colourable imitation of the word, not the metal. The effect of it is this, if I may put it in simpler language—that you shall not apply the word "platinum" as a noun, adjective, or anything else, or any word sounding like "platinum" intending to convey the effect of that word to any metal unless 95 per cent at least—

Mr. LOW: More than that.

Mr. MEIGHEN: But 950/1000ths is 95/100ths, is it not? My arithmetic used to tell me that was 95 per cent.

Mr. LOW: I think my right hon. friend is a little rusty on his arithmetic.

Mr. MEIGHEN: If the minister will take a few minutes more, I think he will come to my view on that. I appeal to the professor of arithmetic in the back row. I know he will agree with me.

Mr. ROBINSON: It is 95 per cent.

Mr. MEIGHEN: If I struggle along I may possibly get the minister to know what this clause means. You cannot apply the word "platinum" as a noun, adjective, or anything else, or any word sounding like "platinum," intending to convey the effect of the word "platinum," to any metal unless 95 per cent at least of the article supposed to be platinum is the real element platinum or platinum in conjunction with iridium. Now that is the effect. Consequently, if the bill goes through—and I want to know if this is just what was intended—you can put out an article and use the word "platinum" in relation to it if not one-tenth, one-fiftieth, or one-millionth part of it be platinum, provided only that that portion of it which is supposed to be platinum shall be at least 95 per cent platinum; that is to say, if there is some combination of platinum used in another alloy, and the combination of platinum is only one-hundredth part of that alloy, you can use the word "platinum" with relation to the whole thing, or any adjective giving the effect of the word "platinum," provided only that 95 per cent of that one-hundredth part is elemental platinum, or platinum in conjunction with iridium. That is the effect of it; one can get that result after considerable meditation. And if such is intended, it really is not very much protection, because the alloy itself could be overwhelmingly something else, but as long as the little coating or whatever it may be supposed to be platinum is 95 per cent real platinum, the article can go and the adjective may be used.

Mr. LOW: If I understand it aright, 950/1000ths must be platinum.

Mr. MEIGHEN: Of the whole article?

Mr. LOW: Of the whole article.

Mr. MEIGHEN: That is not the effect at all.

Mr. LOW: I may be mistaken, but I understand it that way. The bill was drawn by the Justice department, but lawyers differ, and if they have made a mistake in the meaning, they have done so without my knowledge.

Mr. MEIGHEN: The minister is wrong as to his conception of what the draughtsman intended. The draughtsman who drew this never in the world intended the whole article to be 95 per cent platinum—never.

Mr. LOW: I am fairly satisfied that is what he means.

Mr. MEIGHEN: Then we had better defer the bill, because he certainly has not produced that meaning. I should like to hear from the member for Kings (Mr. Robinson); I fancy he knows something about the question.

Mr. ROBINSON: The intention doubtless was that it should be 95 per cent of the element platinum, but it does not say so. I think it is possible to put upon the provision as worded the construction the right hon. leader of the opposition has given.

Mr. MACLEAN (York): The minister has told us that iridium is worth $300 an ounce and platinum $115. Now, an attempt is being made by some jewellers to palm off

upon the public a substitute for platinum and to use the sign "P" for that metal. In that way they hope to impose upon the public and sell to them this substitute as being worth $115 an ounce, although it may contain only a small percentage of the real metal.

Mr. MEIGHEN: I think the minister had better defer the bill, because either the member for Kings (Mr. Robinson) is right as to the intention, or I am. We both agree as to the effect but I believe the member for Kings is wrong as to what is intended. I think it is only the proportion that it is supposed to be or is ostensibly platinum that must be 95 per cent platinum, not the whole article. So we will wait until we hear from the Justice department.

Mr. LOW: The language used in the clause is "950/1000ths" which works out at 95 per cent. There is no doubt in my mind that the intention is to provide that the article represented as platinum must be 95 per cent platinum.

Mr. MEIGHEN: I think we are all agreed that that is not the effect of the proposed legislation. Personally I am of the opinion —I should like to get the minister to understand it if I could—that it is not the intention that it should be 95 per cent of platinum or platinum with iridium. The intention of the proposed legislation, if I conceive it correctly, is that only the portion of the article ostensibly platinum shall be at least 95 per cent either wholly platinum or platinum with iridium—only the portion which, in the words of the clause is "appearing or purporting to be platinum." Now, if the minister has my understanding of it he will be able to submit the matter to the Justice department so that they will see what the point is and we will know to-morrow.

Mr. LOW: Platinum and iridium are the same metals.

Mr. MEIGHEN: That is not the point.

Mr. LOW: Iridium is extracted from platinum and is more valuable.

Mr. MEIGHEN: I do not think that matters.

Mr. LOW: It may be 95 per cent platinum or iridium because the latter is more valuable than the former.

[Mr. W. F. Maclean.]

Mr. MEIGHEN: The minister may know that; I do not know whether iridium is the same metal as platinum or not. But that point does not come up at all. The minister says the intention of this bill is that any article, as respects which the word "platinum" or a compound of it is used, must be 95 per cent platinum or platinum with iridium. If that is the intention the bill itself does not say so, or when passed will not make it law—not at all. Personally I do not think it is the intention. The intention is this, and I hope the minister will follow me, that the portion which is apparently platinum shall itself be 95 per cent platinum, or platinum and iridium combined.

Mr. LOW: Ninety-five per cent of the whole article represented as platinum, yes, certainly.

Mr. MEIGHEN: The minister does not get my point. I am sorry but I tried to explain it the best I could.

Mr. MACLEAN (York): Will the minister consult the Department of Mines and have the misunderstanding cleared up? A representative of the Department of Mines in co-operation with the law department surely will get the facts.

Mr. CALDWELL: It is quite apparent to me, from the memorandum in the explanatory notes, that this section does not mean that the whole article must be 95 per cent of platinum or platinum with iridium. In the explanatory notes on the opposite page I find this statement:

> The full title of this act is "An act respecting the manufacture, marking and sale of articles composed of gold or silver, and of gold plated and silver plated ware".

The present act does not refer to platinum plated ware which must be very thinly plated, but what is now proposed would appear to be that it shall apply to platinum plated ware as well. In that case the whole article would not have to be composed of 95 per cent platinum.

Mr. LOW: Yes, 95 per cent.

Mr. CALDWELL: Ninety-five per cent of the plating but not of the whole article. I think that is the point made by the right hon. leader of the opposition.

Mr. LOW: I think it is 95 per cent of the whole article. What value would there be

in it if the article might contain perhaps 95 per cent of other inferior metal? In that case why should a protection be asked for?

Mr. CALDWELL: The Gold and Silver Marking Act has reference to gold plated and silver plated ware. This is simply adding the word "platinum" to the Gold and Silver Marking Act. In that act it is provided that a gold plated article must be of a certain degree of gold or it cannot be so marked. In case of a silver plated article it must conform to a certain standard of silver—that is, the plating part of it—or it cannot be marketed as silver plated. Therefore the present provision would appear to mean that if an article were plated with platinum the plating, the thin cover, must consist of 95 per cent platinum. That is my understanding of the section.

Mr. MEIGHEN: That is it exactly.

Mr. CALDWELL: That is the way it appears to me.

Mr. BOYS: I understand the minister to say that 95 per cent of the entire article must be platinum or platinum with iridium. If that is the intention it seems to me that if you insert the word "of" after the word "metal", and strike out the words "appearing or purporting to be platinum" you will meet the case. If that is done the section will read as follows:

4. p.m.

The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal of which said article consists—

And so on. That amendment would make it apply to the whole article and not merely to the plating upon it.

Mr. McMASTER: That clearly is not the intention.

Mr. LOW: The intention of this amendment is simply to give platinum the same protection as gold and silver. I shall send for the Gold and Silver Marking Act, and if there is any difference we will make this provision conform to the act. The idea was that exactly the same protection that now applies to gold and silver under the Marking Act should apply to platinum. It was a provision of that nature I asked the department to prepare.

Mr. MEIGHEN: I have the act here. I will read the clause; I think it is in construction and substance the same:

The marks "silver," "sterling" or "sterling silver," "coin" or "coin silver," or any colourable imitation thereof, or any other mark intended to suggest such a quality, shall not be applied to any silver article, if the silver in the article contains pure silver in less proportion than nine hundred and twenty-five parts of pure silver in every one-thousand parts of such silver.

I do not want to say "I told you so", but this confirms every word I have uttered, only the wording in the Act is much better. I never had any doubt in my own mind as to what is intended and as to the real effect of these words, but what I rose to call attention to was the clumsy wording.

Mr. LOW: If it is clumsy it is the work of a lawyer.

Mr. MEIGHEN: That may be, but I have often had to attack the work of lawyers; really, it is no defence to anything to say it was done by a lawyer. What I argued first was that these words at the beginning modified or affected the word "platinum" and not the article. The minister conceded my point there. Then we had this dispute as to the percentage. That is settled. Next the point was raised that the intention of the law was to compel the platinum portion, or what was ostensibly platinum to be 95 per cent platinum or platinum and iridium. The minister persisted that it was the intention of the proposed law that the whole article should be 95 per cent. The language of the clause in the existing act has been quoted, and as clear as words can put it it seems that it is the silver of the article, in the case of silver, that must be 92.5, or 92½ per cent, silver. The intention of this is that the platinum in the article shall be 95 per cent pure. So the minister is wrong as to that. I would suggest that he refer to the draughtsmen the construction used in the original act as to silver and have it apply here; it is much clearer. When half a dozen of us in this committee are all mixed up on this question and the minister hopelessly so, it is hardly fair to ask the public to come to the right conclusion as to what it means.

Mr. McMASTER: The act with respect to silver must have been in application for some years and it would seem that there is an advantage in using the same phraseology as regards platinum. I think the suggestion made by the leader of the opposition is excellent and would serve to expedite business.

Mr. CALDWELL: Is the purpose of the act to prevent manufacturing jewellers from making plated ware of platinum and to compel them to make ware of this description of solid platinum?

Mr. LOW: I do not think the amendment is intended to confer upon platinum any other protection than is given to gold and silver.

Mr. BOYS: I think the hon. member (Mr. Caldwell) has hit the nail on the head? Is this intended to apply to the whole article or merely to a plate of platinum which is to be upon it? If it is intended to apply to the whole article, it is clearly wrong.

Mr. LOW: It is intended to apply just the same protection as the act now grants to gold and silver.

Mr. BOYS: What is intended in connection with gold and silver? Is it intended to apply only to the surface or plate, or to the whole article?

Mr. McMASTER: The suggestion made by the leader of the opposition was that this might be referred to the draughtsmen and brought forward at a later date. If that is a good suggestion, let us follow it and get on to another item of business. If it is not a good suggestion, let us continue to discuss the matter. But the sense of the committee might be taken and the minister might tell us whether he is willing to follow the suggestion made by the leader of the opposition.

Mr. LOW: I have often had to lean upon lawyers, but occasionally I find I am leaning upon a broken reed. This amendment is added to the Gold and Silver Marking Act, so apparently plated ware is included:

In the case of articles made in whole or in part of an inferior metal, which has deposited or plated thereon, or brazed or otherwise affixed thereto, a plating, covering or sheet composed of gold or of silver, or of an alloy of gold or of silver, and known in the trade as rolled gold plate, gold filled, gold plate, silver plate, silver filled, or gold or silver electroplate, or by any similar designation, and in the case of articles of like nature brought under the provisions of this section by regulations made by the Governor in Council under this act,—

(a) no mark shall be applied indicating otherwise than truly and correctly the fineness and also the actual weight of gold or of silver, or of alloy of gold or of silver, contained in the article, or the decimal proportion of gold, or of silver, or of alloy of gold or of silver, to the gross weight of the article at the time the article is sold or delivered by the maker; but a mark plainly and truly indicating that the article or part thereof is made of rolled gold plate, gold filled, gold plate, silver plate, silver filled, or gold or silver electroplate, or of any similar material, as the case may be, which mark must be accompanied by a trade mark registered in accordance with the Trade Mark and Design Act, may be applied; and,

(b) whenever the fineness or actual or proportionate weight of the gold, or of the silver, or of the alloy of gold or of silver, contained in the article is indicated by a mark, the article and its accessories shall be marked as required by the last preceding section and the next following section of this act; and,

(c) the actual weight or the decimal proportion of gold, or of silver, or of alloy of gold or of silver, shall not be less than the actual weight or decimal proportion indicated by the mark by more than ten per centum of the actual weight or decimal proportion so indicated.

2. The Governor in Council may, from time to time, make such regulations as to him seem necessary for declaring articles to be brought under the provisions of this section.

That will apply to platinum just the same as it applies to gold and silver.

Sir HENRY DRAYTON: This bill makes two amendments: First, to the title of the act by showing that the act itself deals with platinum as well as with gold and silver. The second amendment is 12A which gives a definition as to what platinum is. The minister now apparently says that this applies to plated articles as well. It is most necessary that the legislation should not only be understandable but follow existing forms. I would suggest that the matter be referred back with the idea that not only should the language employed in section 9 of the act, for example the definition of silver as silver when you are dealing with pure silver, be followed in connection with this new section 12A of the act, but that, if the intention be, as apparently this covers plated articles and shows how plated section would indicate, that plated goods or platinum may be treated as platinum plate just as goods plated with gold or silver are treated as gold or silver plate under certain conditions, an amendment should be made to the appropriate section. My hon. friend will see that there are two distinct matters. Section 9 of the act covers silver; section 10 articles can be described and marked. If the intention be to allow articles plated with platinum to be so marked, the legislation ought to follow in form section 10, and the definition as to pure platinum should follow the form of section 9. The sale of pure gold is one thing and the sale of gold plated articles an entirely different thing, and the two must be treated separately.

Mr. LOW: But this all applies to platinum.

Sir HENRY DRAYTON: There is nothing whatever that extends the plating provisions of the act to platinum.

Mr. LOW: I suppose my hon. friend knows that the protection that is afforded in connection with platinum goods as far as plating is concerned is not necessarily so important as in the case of gold or silver?

Mr. CALDWELL: Should not the bill be so worded as to make it impossible for white metal to be sold as platinum?

Sir HENRY DRAYTON: That is the point.

Mr. CALDWELL: We want to protect the public from being sold any article plated with platinum as an article of pure platinum. An article made of fourteen karat gold is marked accordingly, but if it is only plated with fourteen karat gold the article cannot be marked "fourteen karat gold"; it must be so marked as to show that it is plated with such gold, I think the point of the ex-Minister of Finance (Sir Henry Drayton), which is also the point I am making, is that the bill should be so worded as to make it impossible for dealers to sell platinum-plated ware as solid platinum. The minister, I think, would be well advised to accept the suggestion of the leader of the opposition and adjourn the debate on this bill; he should go into it thoroughly because the matter is an important one. Platinum is a valuable commodity and we should protect the public from being imposed upon.

Mr. LOW: Does the hon. member suggest that the men who drafted the Gold and Silver Marking Act are not sufficiently competent to draw up an amendment to the same act?

Mr. CALDWELL: Certainly.

Mr. LOW: They were able to draw up the other act.

Mr. MACLEAN (York): At the request of the jewellers.

Mr. LOW: At the request of the Minister of Trade and Commerce.

Mr. MACLEAN (York): But are not the jewellers at the bottom of it?

Mr. LOW: Yes. There is always an agitation on the part of some group of the people for some action to be taken in one direction or another, and we endeavour as far as possible to satisfy public demands.

Mr. CALDWELL: I do not think that this amendment does make it plain that the distinction between solid platinum and platinum-plated goods shall be observed.

Mr. LOW: I am inclined to think that after the twisting of words by one lawyer and the interpretation of them by another lawyer the language of the bill may possibly be not quite clear.

Mr. McMASTER: That shows the use of lawyers.

Mr. McCONICA: I think the language is clear and expresses exactly what it is intended to express. Let me read the section:

> The word "platinum". . . . shall not be applied, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of the component parts of the metal appearing or purporting to be platinum of which said article consists are either the pure metal and element platinum alone or in conjunction with iridium.

I am sure that says exactly what it is meant to convey.

Mr. MEIGHEN: The hon. member did not read all of it, however.

Mr. McCONICA: I left out some of the qualifications, that is all. The whole section is as follows:

> The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum of which said article consists are either the pure metal and element platinum alone or in conjunction with iridium.

I do not think there can be any misunderstanding of its meaning, and there does not seem to be any sense in referring the bill back to any one for the purpose of making it clearer; it is clear enough to me as it stands.

Mr. LOW: I am glad to note that I have at least the backing of a member of the American bar; it is gratifying to me to know that he construes the words as I do. I have had much to do with lawyers and have very seldom found any two of them who interpreted anything the same way; nor have I once received the same opinion from two lawyers on the same matter. So that it is not a surprise to me this afternoon to find lawyers differing. My one desire is to make the purpose of the bill perfectly clear; we are extending to platinum the same protection which we are now extending to gold and silver goods. If there are any words which might be omitted to advantage I shall have no objection to eliminating them.

Mr. MEIGHEN: This discussion was started with a view to assisting the minister; certainly it had no other object, for we are not likely to have a general election over the quality of platinum. The endeavour of the committee was to make it clear just what the intended effect of the bill was and to see that such effect was really produced. The point was raised, additional to the point I raised myself, by the hon. member for Victoria and Carleton (Mr. Caldwell), that while this does take care of one class of goods it does not take care of the other, while probably both should be taken care of. Supplementary to what I stated, the hon. member for Brome (Mr. McMaster) urged upon the minister the wisdom of having the wording of this clause the same as the wording of corresponding clauses respecting gold and silver so as to avoid litigation and the possibility of varying interpretations. The minister has offered his view as to several features of the clause, in every one of which he has been declared wrong by every hon. member who has spoken; and he has had to admit in two cases that he was wrong. I have not sought to make trouble for him on that account. But when he accepts the representations of hon. gentlemen in the spirit he does, I find fault. He thinks that he is scoring a point in defending himself by getting up and berating lawyers and saying how difficult it is to get them to agree. There have not been two lawyers in this House who have disagreed on this question; we have all been struggling to get the point into the minister's head. No one disputes what the hon. member for Battleford (Mr. McConica) says as to the intended effect of the section; I have not disputed his view, nor have I heard any other lawyer dispute it. I certainly think, however, that the section could be more clearly put, and I agree with the hon. member for Brome that it is far better, for two reasons, to use the language which was previously employed. First, because the language previously employed is clearer; and, secondly, for the very reason that it has been employed. It is always better to use language that probably has already been interpreted in the courts, that already at least, if it has not been interpreted has stood through the years and not required interpretation. This is all we have been urging.

Mr. McMASTER: It has been interpreted by practice.

Mr. MEIGHEN: We all agree that if the intended effect is that the article shall be pure, or, as is put here, shall have the element platinum alone or in conjunction with iridium, the description is correct. The only one who disagrees is the minister, who keeps saying that the whole article has to be 99 per cent pure. Most of our time has been occupied in trying to make him see that that is not the intention. It is no use for the minister to abuse the legal profession. It does not seem worth while for us to try to assist him in any way, for instead of getting gratitude we get abuse. The only thing the minister understands is some plain talking.

Mr. LOW: I have listened to the right hon. member, and I know that it is quite usual for him to cast slurs at hon. members who have not had the advantage of as long experience in the House perhaps as he has had, but he has not been able to show that I have been wrong in any case but one. In that instance, I made a slight mistake which I admitted at once. I have told him from the outset that my endeavour is to have this act extend the same protection to platinum as it extends to gold and silver. Now he says that we might use the same words in both clauses, but in making that suggestion he has no justification for casting slurs upon me.

Mr. MEIGHEN: I did not cast any slurs.

Mr. LOW: The right hon. member certainly did.

Mr. MEIGHEN: For not using the same words?

Mr. LOW: Not only to-day, but the other day when he said that I endeavoured to deceive this committee by certain statements which I had made.

Mr. MEIGHEN: If the minister wants to get off this subject and discuss the other, we will do so.

Mr. LOW: Yes. He said that I intended to deceive the House, that my deputy had been a party to certain arrangements with the Civil Service Commission which I had attributed to the commission itself. The regulations were made in 1919 by the Civil Service Commission, requiring candidates for the position of commercial trade agents to have university education, and the age limit was also fixed in printed regulations in that year. They were revised at a later date by an official of the department appointed by my right hon. friend; but, as minister, I did not have any knowledge of the revision. Now, when the right hon. gentleman charged that I had misled the House he made a mistake; a charge that he cannot sustain. I have never

intentionally misled anybody whether in the House or out of it, and I do not propose to allow such an allegation to stand against me. I may make a mistake sometimes, on my facts, as everyone does, but I will not deliberately misstate facts nor mislead anyone. A man is best known in his home town, and if my right hon. friend should ever make a similar statement to that just made from a public platform in my home town, I would advise him to be well forewarned, for it would arouse objection, not from members of the Liberal party who might be present but from members of his own party. I have hitherto regarded my right hon. friend as a statesman, but it seems to me that tactics such as we have just witnessed are not worthy the leader of a great historic party; they are rather what might be expected from a ward politician. I am ready and willing at all times to discuss any question fully and frankly. There is absolutely no justification for casting slurs upon any hon. member because he does not happen to agree with opinions held by the right hon. gentleman.

Mr. MEIGHEN: If the minister is through I have a few very simple words to say. I have listened with due humility to the castigation which the minister has administered. His language was not very graceful, but its grace infinitely transcended its appropriateness. He managed to escape very quickly from the subject we are discussing to another. Yesterday I referred to the hon. minister in certain terms, and here, in Renfrew, or anywhere else, I am prepared to stand by every word I then uttered. The minister has not alleged that anything I did state was wrong in the slightest degree. I did not say that the minister deceived the House, much less did I say that he deceived it intentionally. I said that the minister had stated to the committee that the Civil Service Commission was responsible—and he reflected on the commission as being responsible—for the restriction of the position of commercial trade agent to university graduates. I called attention to what he had done, and I stated that he had no right to do it.

Mr. McMASTER: May I interpose to ask whether these university graduates were going to deal with platinum rings?

Mr. MEIGHEN: I did not introduce this.

Mr. McMASTER: No.

Mr. MEIGHEN: I think the straits of the minister who did introduce this discussion are pretty desperate. I stated that the minister had no right to reflect on the commission in this way, that he was treating neither the commission nor the House fairly in doing so when his own deputy and himself insisted on that restriction. I did not say the minister had so insisted; it was his deputy. In the face of that, I submitted that it was not fair to lead the House to believe that the commission was responsible for the condition referred to.

Mr. LOW: Is it fair to hold me responsible for an act of the deputy minister that took place under the administration of the right hon. gentleman?

Mr. MEIGHEN: I did not hold the minister responsible; I did not say he was responsible.

Mr. McMASTER: Mr. Chairman, I rise to a point of order. I think this discussion is absolutely out of order.

Mr. MEIGHEN: Surely I have a right to reply. The hon. member should have risen when the minister was speaking.

Mr. McMASTER: I restrained myself while the minister was speaking, and I also restrained myself while the ex-minister was making his address. Now that the minister has objected, it seems to me time that those of us who are anxious to see the orderly progress of business should protest against a continuance of this discussion.

The CHAIRMAN: I think the right hon. gentleman might be allowed to make his explanation.

Mr. MEIGHEN: I will be very brief. My object is to set out to the committee what I said and to show that I was justified in saying it. The minister should have stated that the stand taken by the commission was not only agreed to but insisted on by his own department.

Mr. LOW: Who was in charge of the department?

Mr. MEIGHEN: Sir George Foster, I think.

Mr. LOW: The only mistake I may have made was in not coupling up the government of that day with the restrictions.

Mr. MEIGHEN: Was it fair to refer to this as something to show that the commission was not doing its duty? It certainly was not. In respect of the same matter the minister also held the commission alone responsible, and as an argument against the commission, referred to the fact that it wanted the age to be set at a certain figure, when he who now presides as his deputy was the

man who insisted on that too. I do not think that was fair on the part of the minister, and I stand by what I said then. Surely it is not casting slurs on the minister to require that when he reflects on the commission he should give the facts and circumstances. That is all I charged the minister with, and he should not exaggerate my language.

As respects my conduct on the issue before the committee this afternoon, I do not need to make any argument. There is not a single hon. member who does not recall the whole of this discussion and what the minister has said—the spirit of it all from the beginning, and whether any slurs were cast on the minister. I do resent it that, when an endeavour is made to set the minister right in this matter —and he was set right in respect to at least three features of it—he continually casts aspersions on the legal profession and attributes blame to them when nobody in the world is to blame at all. Why does not the minister accept in the right spirit the assistance he is given? We all know he said first that these adjectives referred to the metal. Everybody heard what he said next—it is trifling; it amounts to nothing, and I was not trying to make anything of it. But as to the next feature the minister resisted us when we persisted that it was never intended by this section that the whole product should be 95 per cent platinum. The minister assured us over and over again that that was the intention.

Mr. LOW: There are no plated platinum articles in common commercial use.

Mr. MEIGHEN: They may not be plated, but they must be articles which are only partly platinum, and it is only the platinum part that must be 95 per cent pure. The minister was wrong there and wrong in an essential and fundamental part of the section. We did not denounce him for that, but when we point these things out to him why in the world should he be continually getting up and taking a fling at the lawyers? I did not denounce him because he had not used the language used before, I simply supported the member for Brome in the view that it is better to use it—that it is worth while referring this to the draughtsman to get it used. If the minister will not do that, all right; I will let it go, but I think it is the general desire of the committee.

Mr. LOW: On the other hand we have the remarks of the hon. member for Battleford (Mr. McConica) who says that the clause is very clear.

[Mr. Meighen.]

Mr. MEIGHEN: The minister had better take that, then.

Sir HENRY DRAYTON: When we pass legislation of this kind we usually try not only to make it clear but also to make it enforceable. We are told that the purpose of the bill is to place this metal in exactly the same position that gold and silver occupy now. I have already pointed out that there are only two amendments, the first in the title and the second in this particular clause. There is an interpretation clause which, if anything is to be done, must be amended, because it deals with marks, and it is the improper marking which is the offence. In the original act we have in the interpretation clause the definition of "mark" as follows:

"Mark" means any mark, sign, device, imprint, stamp, brand, label, ticket, letter, word, figure or other means whatsoever of indicating, or of purporting to indicate, quality, quantity, or weight of gold or of silver, or quality or kind of gold or silver plate.

Then there is the definition of dealer:

"Dealer" means any person who is a manufacturer of, or a seller of or dealer in, whether by wholesale or retail, any of the articles to which this act applies; and whether such person is an individual person, or a corporate or unincorporated body of persons, or a director, manager, officer or agent of any such body.

Then section 3 provides that the act shall apply to (a) all gold articles; (b) all silver articles, (c) all plated articles. It is perfectly obvious, therefore, that if we are to deal with this matter intelligently and effectively we must also amend this section to make the act apply to platinum. I shall not go through the whole thing, but surely enough has been said to show that the bill ought to be withdrawn and a proper amendment brought in.

Mr. EVANS: I think it is high time somebody besides the lawyers got in on this. I always thought I could read the English language, and I fully agree with the hon. member for Battleford that the language here expresses exactly the meaning it is intended to convey. I do not see why there should be any quibble over it.

Mr. LOW: This bill was referred by the Trade and Commerce department to Mr. A. G. Troop, law clerk of the House of Commons. I am very sorry if the meaning is not clear. Will my right hon. friend give me the numbers of the clauses in the Gold and Silver Marking Act to which he has referred?

Mr. MEIGHEN: The interpretation clause is clause 2. The application of the act clause is clause 3, and sub-clause 3 of clause 9 is the one I read. The point is this, to reiterate: I have never, from the beginning urged any-

thing else than that the amendment does mean what it is intended to mean. I have never had any doubt as to what was intended. But I think it should be made clearer, and I also think it should be in the wording of the old clause. There were additional points raised by my hon. friend to my left and by the hon. member for Victoria and Carleton; these are points that will have to be taken care of separately.

Mr. LOW: The proposals incorporated in the bill were first referred to the Justice department and then to the law clerk of the House, and I was endeavouring to stand behind their wording.

Mr. MEIGHEN: I was not finding fault with them.

Mr. LOW: I thought that several lawyers should be quite capable of drafting a very simple clause to cover a matter that seems so very clear to me. Will my hon. friend read the clause in question? I have not got it before me.

Sir HENRY DRAYTON: I think I had better go back a little before reading it, and I will deal with it in language which is entirely the language of the layman. In all acts there are interpretation clauses the purpose of which is to give the judge and everybody else an idea of what you mean. For example, in this case you have an interpretation clause which states what "mark" means; it shows that these are marks having regard to gold, silver, or articles plated with either of these metals. My hon. friend will see that this clause should be amended so as to make the definition of "mark" apply to platinum as well as to gold and silver. Then there is another thing always in a statute, and that is, you try and define the object of the statute, and you do that in the clause which deals with the application of the act. You have a clause here which says the act applies to such and such things, but it does not apply to platinum. You would have to amend that clause to extend it to platinum. Then you have your penalizing clauses as well. They have to do with the dealers. I am not going to go through the whole thing, but I just want to impress this point on the minister, that what he thinks he is doing is not being done. This has not to do with the wording at all, but with the act as a whole. The penalties are penalties against dealers. The present act defines dealers, and the dealers defined are dealers in gold and silver, or in articles of plated ware. So it is not sufficient merely to put in a substantive clause to say something about platinum, unless the real machinery of the act which applies to the marking, the application of the act, penalties, and the like, is similarly amended.

Mr. LOW: Do they not now apply?

Sir HENRY DRAYTON: No, it is perfectly clear that the act applies to only gold and silver and plated ware. I do not think my hon. friend will find any difficulty at all, if he sends this back to the draughtsman and asks him to read the act he thinks he is amending. I think the law clerk of the House would tell him at once.

Mr. LOW: I am surprised and disappointed to find that an amendment that was drafted on reference to the Justice department and later referred to the law clerk of the House of Commons is not understood by a number of the members of the House.

Sir HENRY DRAYTON: I am afraid you will have to blame the Minister of Justice, and not me.

Mr. LOW: I am not blaming anybody. I confess that occasionally I am unable to understand what some complicated clauses mean with their "whereases this, whereases that, and whereases the other," when the matter could be perfectly and clearly expressed in a few simple words.

Sir HENRY DRAYTON: I am perfectly content to leave it to the hon. member for Victoria and Carleton (Mr. Caldwell). He understands it.

Mr. LOW: The clauses read:

2. There shall not be applied to any silver article any mark indicating, or purporting or intended to indicate, that the silver in the article is of higher quality than it really is, nor any mark which contravenes the provisions of subsections 3 and 4 this section.

3. The marks "Silver," "Sterling" or "Sterling Silver," "Coin" or "Coin Silver," or any colourable imitation thereof, or any other mark intended to suggest such a quality, shall not be applied to any silver article, if the silver in the article contains pure silver in less proportion than nine hundred and twenty-five parts of pure silver in every one thousand parts of such silver.

I think the other is just as clear.

Mr. McMASTER: May I just say, in support of the suggestion I made a few moments ago, that the bill might be withdrawn and referred again to the law officers. I remember hearing in this House the Hon. Mr. Fielding state how difficult it was to amend a bill at the Table, how difficult it was to get the precise phraseology sought. I think the minister might possibly consent to this suggestion. It is made in all kindness, and it does not involve the slightest disrespect to either the minister or the law

officers. Any one is likely to make a slip. I do think it is advisable to use the same phraseology, or as nearly as possible the same phraseology, in legislation dealing with similar matters, because the department in the past may have had to apply these laws, and if they have a law which is exactly in the same terms it is easier to apply. It may possibly have been interpreted by the court, and in that case it is a real advantage to have your amending act in the same phraseology.

Then there is the point suggested by my hon. friend for West York (Sir Henry Drayton), that the interpreting clauses will have to be changed in order to have the word "dealer" extend to a dealer not only in gold, silver, and plated ware but also in platinum. Under the circumstances I think it would perhaps expedite business if the bill were referred to the law officers again. If the law officers are correct, and those of us who have found some ground for criticism are wrong, the minister will be re-established in his opinion, and perhaps will be able to convince those of the House who are of a different opinion from him. It seems to me that a good deal of time would be saved if the bill were withdrawn for the moment, and that could be done without the slightest implication of dereliction in duty, or carelessness, or anything of that sort.

Mr. LOW: Does my hon. friend think the clause is not clear? Does he not interpret it to mean just what was intended in the drafting?

Mr. McMASTER: It is a little hard to know just what was intended, as I was not present when the bill was drafted. I do think the clause is fairly clear. It seems to me that the words "any contraction, abbreviation or colourable imitation" means contraction, not of the article, but of the word itself, "platinum," and it seems very clear to me that the 95 per cent refers merely to that part of the article which is supposed to be platinum. I think that is clear enough. But that does not cover my suggestion that it would be well to use the same phraseology as is used in connection with gold and silver, and it certainly does not cover the rather important point brought forward by the hon. member for West York, that there would have to be another clause added to the bill extending the definition of "dealer" to cover not only dealers in gold, silver, and plated ware, but also dealers in platinum.

[Mr. McMaster.]

Mr. LOW: If such a course meets the wishes of the committee, I shall be glad to refer the bill back to the Justice department and the law clerk of the House of Commons.

Progress reported.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply, Mr. Gordon in the chair.

Elevator, government grain, towards construction of, at Edmonton, $1,000,000.

Sir HENRY DRAYTON: Would the minister explain how this matter stands?

Hon. T. A. LOW (Minister of Trade and Commerce): There was an item placed in the estimates last year for $200,000 towards this elevator The work was started last year, and this year we have this vote for $1,000,000 in the main estimates. It is for the purpose of building an elevator at the city of Edmonton with a capacity of 2,500,000 bushels. Excavation work was started last winter, and pile driving was continued during the spring. The contract for pile driving was let in the month of May, the successful tenderer being Carter, Hall and Aldinger. For the elevator itself the following tenders were received, Carter, Hall, Aldinger Company Limited, being the lowest:

Carter-Hall-Aldinger, Co. Ltd., Winnipeg, Man.	$1,297,729
Northern Construction Company	1,349,000
Barnett McQueen Co. Ltd., Fort William	1,398,000
MacDonald Engineering Company, Toronto	1,411,000
E. G. M. Cape Co. Ltd., Montreal	1,419,000
Poole Construction Company, Regina	1,433,000
Fegles Construction Company, Fort William	1,460,000

The successful tenderers, Messrs. Carter, Hall-Aldinger have started work, and we hope to have the elevator in operation by the time the new crop is available. Edmonton is the centre of a great wheat growing district, and we felt we were justified in making this expenditure. There will be a further item in the supplementary estimates with respect to this investment. The reason that vote was not included in the present item was the fact that when these estimates were presented to the House, tenders had not been received. For that reason we felt that if we asked for the larger vote in these estimates it might disclose to the contractors the amount we had in mind.

Sir HENRY DRAYTON: What will the further amount be?

Mr. LOW: The engineer has estimated that the elevator will cost $1,500,000.

Sir HENRY DRAYTON: Then I suppose the amount in the supplementary estimates will represent another $300,000 will it not?

Mr. LOW: The whole of the previous vote was not spent last year. Only about $21,016 had been expended up to January 31.

Sir HENRY DRAYTON: What engineer is looking after the construction?

Mr. LOW: Mr. C. D. Howe, Port Arthur.

Sir HENRY DRAYTON: He used to be with the Grain Board before?

Mr. LOW: Yes, and they found his services satisfactory.

Sir HENRY DRAYTON: I suppose it is to be a terminal elevator the same as the elevators at Saskatoon and Moose Jaw?

Mr. LOW: It will be identically the same.

Mr. JELLIFF: What further consideration, if any, has the minister given to the matter of erecting an internal storage elevator at Lethbridge? This question has been before parliament, I think, year in and year out for the last ten or twelve years, and the people of the district feel they are being treated very unjustly in the distribution of these elevators, some of which have been placed at points not nearly so well entitled to them as Lethbridge. I discussed this matter at considerable length last year when the item for the Edmonton elevator was being considered, and the then Minister of Trade and Commerce (Mr. Robb) assured me that the representations made at that time would be fully considered—that the Grain Commission were going to investigate the Lethbridge situation. I inferred from the minister's statement that a report would be obtained with respect to Lethbridge and I knew that when it was presented it would be favourable. I therefore expected that some consideration would be shown to Lethbridge when the estimates were brought down this year.

I do not want to discuss the matter at great length but I draw the minister's attention to the fact that over 40,000,000 bushels of wheat which is about one-fourth of the entire production of Alberta, went through the Lethbridge freight district last year. I also draw his attention to the fact that such an elevator is of great importance to us in connection with the movement of grain by the western route. It is true that we have an internal storage elevator at Calgary but our easiest route to Vancouver is not through Calgary but through Golden. In taking the latter route some of the more severe railway grades are avoided. There are a great many reasons, both of a national and of a local character, to warrant the establishment of an internal storage elevator at Lethbridge. As I stated last year there is scarcely a place where difficulty is more likely to ensue over car shortages than in that district. We are served by one railway solely, the Canadian Pacific whereas Calgary, Edmonton and other points are served by two or three distinct lines of railway, and have the benefit of all the freight car equipment of those several lines. Since I have been a resident of that part of the country we have suffered very severely indeed from car shortages on a number of occasions, in spite of the fact that the Canadian Pacific is handling the business in a very efficient and capable way. I can remember that as far back as 1915 we were unable, on account of car shortages and lack of elevator space, to get that year's crop out until the summer of 1916. Last year we had a crop quite equal to that of 1915, and we had a similar crop in 1916. In 1922 we had a crop of 22,000,000 bushels of wheat, over one-third of the entire crop of Alberta. We feel very much aggrieved over the slight we have experienced in this matter, and our people are insisting that action be taken. A number of years ago when the location of these internal storage elevators was first before the country and under consideration by the Grain Commission, Dr. Magill recommended the building of an internal storage elevator at Lethbridge. He was at that time head of the Royal Grain Commission. Since I have become a member of this House, I have talked with Dr. Magill several times and he has assured me that he made the recommendation at that time. He asserts, as he did then, that Lethbridge is the logical point for the establishment of one of those elevators. There come to Lethbridge, if I recollect aright, lines from seven different directions. There is the line from Macleod from the west; the main line of the Canadian Pacific from the east; the Cardston branch; the Coutts branch; the Lethbridge-Weyburn branch, recently completed, which brings grain from eastern Saskatchewan through to the west coast; the Aldersyde branch; the Macleod-Calgary branch; and very soon we are to have constructed by the Canadian Pacific the Kipp-Retlaw branch. All these lines run into Lethbridge and bring an immense quantity of grain into that centre.

5. p.m.

One special reason why they want an internal storage elevator there is the avoidance of a car shortage, which is a very important matter, because in the fall when our shipments of grain are heaviest, there is the greatest call on our railways for the shipment of coal. It takes 200 to 300 cars a day during that part of the year to get coal out of the Lethbridge district. The railways very properly will give preference to the coal business when the weather happens to be cold on the prairies and the people are likely to suffer from inclement weather.

Last year I had a statement, to which I referred, from the Lethbridge Board of Trade which is very greatly interested in this subject, especially on account of the mixed farming operations which we are trying to carry out in that district. They have gathered extensive data regarding the advantages which will be derived by that section of the country from the building of an internal storage elevator at that point, and I am going to cite some of the figures. They state that in 1922 the wheat production was 22,662,000 bushels. We are very anxious to have the screenings left in that district in order to feed our sheep as we have a largely developed sheep industry there and have shipped as high as 1,750,000 pounds of wool per year. That has been very important at seasons when on account of drought conditions, the wool product was about the only immediate source of money for the farmer to provide for necessities and to leave any money at all in that part of the country. If we figure the screenings alone at two per cent on that wheat crop it would amount to 453,000 bushels of screenings, or 13,597 tons. When you figure the cost to the farmer of shipping this quantity of waste all the way to Fort William and to the sheepmen in order to get the same quantity of screenings back—and pay $15 to $20 a ton for them in addition—you will realize that it amounts to a good deal of money. They paid $67,986 freight on those screenings in 1922. It required to move those screenings alone 302 cars. It required to move the whole wheat crop 15,108 cars, if we take 1,500 bushels of wheat per car. If you make the same calculation in connection with this year's wheat crop of 40,000,000 bushels, you have almost double the result. You have 800,000 bushels of screenings with a freight loss on those screenings alone of $120,000. The by-product which they want to use in the Lethbridge district is carried all the way to Fort William, and then when they want those screenings in order to fatten their sheep in the winter season, they have to have the stuff shipped all the way back again. That is what happens, and is one of the strongest arguments in favour of the erection of an internal storage elevator at that point with full facilities for screening grain.

That is only one feature of the matter. It is figured, if I remember aright, that it takes about 100 days to fatten sheep, and about 250 pounds of those screenings together with other feed must be used. The calculation is that with the screenings from the 22,000,000-bushel crop of 1922, they could fatten 76,000 more lambs per year than they are doing at the present time. On the basis of the 40,000,000-bushel crop for this year, those figures would be very nearly doubled. There you had in 1922 a possibility of adding 76,000 sheep to those that the people in that district are able to handle, worth $8 a head and, for mutton, this would mean $600,000 more to the return of the sheep men of that section. Every one of those sheep would yield probably seven to eight pounds of wool, or a total of about 500,000 pounds, which even at the low price of 25 cents a pound, would amount to $125,000. Therefore, the extra amount which could actually have been produced for the sheepmen of that district if they had the screenings alone there, would have been about $725,000. This is a matter of public interest to this country. The clothing situation and the food situation of this country are affected by it, and advantages would accrue to the people generally as well as to the farmers. I want to urge this upon the minister. I notice he is paying no attention to what I am saying.

Mr. LOW: I am making notes of what my hon. friend is saying.

Mr. JELLIFF: I thank the minister. That is only one feature. I have always contended, as our people have that the Lethbridge district which produces as good grain as can be found anywhere in the world, should be the centre of an immense milling industry; that our raw product should there be converted into flour and feed of various kinds. There is no reason why that should not be the case. I was before the Grain Commission years ago in connection with this subject when Dr. Magill was inclined to favour Lethbridge as the place where one of those elevators should be established and which he subsequently recommended. I took the ground that Lethbridge and the southern Alberta district should be the Minneapolis of Canada, and I hope the day will come when that will be the case. I have been assured that the millers in that district are ready, the moment an internal storage elevator is erected there, to double and

treble their capacity. Time and again I have been in the offices of the Ellison Milling Company there and I have been shown files, telegrams and messages, of various kinds containing orders for flour from Japan and China. This country is very much interested in developing the oriental trade. In order to manufacture that flour the millers must have the lower grades of wheat, 4, 5 and 6, out of which they make it, and they cannot retain the quantity of these low grades of wheat in that part of the country under the present system of handling the crop and shipping it to Fort William, to supply that trade and keep their mills running to full capacity the year round, further develop the industry, and give our people the full advantage of the crops which they produce. I was on the coast last winter on the invitation of the Vancouver Harbour Commission and one of the first things I noticed on the docks was a lot of flour from the Ellison Mills of our district being loaded for the Orient. When I got home I spoke to the manager of the milling company, Mr. George Green, in regard to what I had seen. There were five carloads of that wheat being loaded on a vessel in the harbour at that time and I so reported to him; he said that if I had waited two or three days longer I should have seen thirteen more carloads. That is the situation and I think it is important enough to call for the consideration of the Minister of Trade and Commerce. We can increase our output for the oriental and foreign trade from two or three times if we can get an internal storage elevator out there which will retain in our district enough of the different grades of wheat year by year to supply our mills.

Sir HENRY DRAYTON: What is the present milling capacity?

Mr. JELLIFF: I cannot say offhand. There is another thing I want to bring to the attention of the minister in that connection. At great expense to the people there are being developed extensive irrigation areas in that part of the country, and the method of farming in these irrigated districts is of the intensive type. We should be, and are, fast developing along dairy lines, raising hogs and cattle and sheep and poultry; and it is especially essential to the welfare and the proper development of these districts that we should have, combined with the forage crops which are easily produced in large quantities on the irrigated lands, the by-products from our mills. There is scarcely a year in which we are not compelled, in order to supply the demands of our dairy farmers, to ship into that country bran and shorts and all sorts of mill feeds and screenings which should be produced right there in the immediate district. It might be of some importance to the minister to mention the fact that one of our big sheep men there has brought down to Fort William, and fattened on the screenings, as many as ten thousand sheep in a single band. Mr. Harvey, a prominent sheep man of Raymond, Alberta, has brought that number down on different occasions; and a number of other men have brought down bands numbering from 2,500 to 5,000. Can the minister not do something to meet this situation? It is a long-standing demand which is justifiable from every angle I have mentioned: from the car shortage and the milling standpoint, from the mixed farming and live stock standpoint, and from the standpoint of the oriental trade. There is every reason why the minister should seriously consider this matter and bring down in his supplementary estimates a sum sufficient to enable him to begin the construction of an internal storage elevator at that point.

Mr. LOW: I realize that this is a matter of great interest to my hon. friend (Mr. Jelliff), and I agree with him in many respects. There is no doubt that many new elevators both internal and at various ports are required. But my hon. friend recognizes I have no doubt, that the government is obliged to cut its coat according to its cloth; we must proceed cautiously in matters of public expenditure and therefore cannot build more than one or two elevators each year. The hon. member knows that the cost of erection of these elevators must come out of current expenditure, and at present we are endeavouring to lighten the taxation burdens of the people as far as possible. During the recess it is my intention to devote myself to an intensive study of the whole wheat question, with the purpose of finding some solution if possible to the problem of cheaper marketing of the wheat of the prairie provinces. I realize that a margin of two, or three, or five cents a bushel means much to those provinces, and with a crop of 400,000,000 or 500,000,000 bushels a reduction of five cents would amount to a considerable sum. The matter is worth inquiry. The department over which I preside can do no greater service to the people of the West than to endeavour to work out some amended system which will enable the wheat grower to market his wheat at a lower cost than is possible to-day. With that object in view I intend to devote to the whole subject as much time as I can between the close of this session and the opening of the next. I fully agree that it is a

sound idea to have in the immediate locality of the farming district an elevator where screenings—and if a mill—where by-products from the flour can be obtained for cattle. One thing we try to do in the milling business is to export as much flour as possible, retaining at the same time for the benefit of the farmers of this country all the by-products from the mill. For about three or four months of the year there is a great shortage of shorts and bran and certain other by-products. If we can obtain a greater volume of export business in flour in Canada it will help us to supply this shortage, because feeds are rarely exported. I shall be glad to take into consideration the remarks of my hon. friend when the question of marketing western wheat is under scrutiny.

Mr. JELLIFF: When I was at Vancouver last winter I attended a banquet given by the harbour commission at which a gentleman connected with the milling industry of that city stated, in the course of his address, that Vancouver was not likely to become a big milling centre because it did not have a sufficient number of live stock in that part of the province to consume the by-products. He mentioned that it would be a great help to the milling industry of Canada, and would facilitate the handling of the grain crop, if more storage elevators were erected in the interior, and he named Lethbridge specifically.

I was glad to learn something from the figures which the minister gave the committee last night as to the results from the internal storage elevators. I find that the storage elevator which was erected at Calgary showed a loss in only one year, and that the net profits during the years quoted, 1915 to 1924, were $374,488.77. The elevator at Moose Jaw showed net profits of $170,782 for the same period. I am inclined to think that those elevators are most needed in the Alberta country, for we are furthest from Fort William and from Vancouver, and the empty cars that finally trickle back into our neighbourhood are accordingly fewer and very much slower in getting to us than to others more advantageously located. Consequently we have more trouble in meeting our car situation than those who are in the other provinces, and we have greater occasion to use these storage elevators. The minister also mentioned the elevator at Saskatoon, which I noticed made a net profit, in round figures, of $370,000. I think that is a good investment for our people. It is not a gratuity to the grain growers, because eventually these elevators pay their way. We are very hopeful that an interior storage elevator will be established at Lethbridge, especially in view of the mixed farming that is carried on in the district, for this would guarantee a better return than is usual where this condition does not prevail.

Mr. HOCKEN: May I break in to ask for a reply to the question I put to the government in the absence of the Acting Postmaster General, as to what course the government is going to take in regard to the strike of postal employees?

Mr. GRAHAM: May I suggest that at about five minutes to six the hon. member repeat his question? If we break in on this discussion it is apt to start all over again.

Mr. WARD: Could the minister give us any figures to show the service which is being rendered by the elevators located at Calgary, Moose Jaw and Saskatoon? I have been given to understand that very little grain is ever stored in them. If that is the fact, it seems hardly proper to build other elevators when this accommodation is not being utilized by those for whom it is intended.

Mr. LOW: Before erecting a new elevator we always take into consideration whether it is likely to be self-sustaining within a short time of its erection and actual operation.

Mr. WARD: Are the interior storage elevators at Moose Jaw, Calgary and Saskatoon self-sustaining? If not, does the minister expect that they will be self-sustaining in the near future?

Mr. LOW: I gave those figures last night about six times, but I have no objection to repeating them. Patience is a virtue.

Some hon. MEMBERS: Dispense.

Mr. WARD: I understand they are all on Hansard, so I will look them up.

Mr. KELLNER: Is it the intention of the government to instal drying machinery in the Edmonton elevator? And would it be feasible to get a through freight rate on grain originating east of Edmonton and destined for Vancouver? At present we have to pay the local rate to Edmonton plus the local rate from Edmonton to the coast.

Mr. LOW: Answering the first question, it is intended to equip this elevator with all the machinery required including adequate drying facilities. In reply to the second question, freight rates are under the jurisdiction of the Board of Railway Commissioners.

Sir HENRY DRAYTON: I was very much interested in what the minister told us as to an effort to be made to bring down the cost of marketing grain, and also to hear his statement that efforts were to be made to export flour instead of grain.

Mr. LOW: The mere fact that we were able to get the ocean rates on flour from Canadian ports equalized with the rate as from American ports has helped wonderfully.

Sir HENRY DRAYTON: I was going to say that I hope it is to be something more than a pious wish. Of course the discrimination which was practised in connection with the Atlantic movement to which my hon. friend's reference applied, was so bad that I do not suppose anyone thought it would continue. If my hon. friend did anything to get rid of it I congratulate him.

Mr. GRAHAM: He did.

Sir HENRY DRAYTON: It was simply a scandal.

Mr. LOW: I was able to draft such a plain clause that the gentlemen at the Economic Conference understood it, and we succeeded in getting the rate equalized with the American basis.

Sir HENRY DRAYTON: I suppose the object of the ministers's last statement is to show that he knows something more about dollars and cents than he knows about platinum.

Mr. LOW: No, something more than I know about law.

Sir HENRY DRAYTON: The correction of those rates is not helping the flour business very much while the present spread continues. We had evidence the other day before the committee on Railways that the present spread between flour and grain is 7 cents. It is hard to believe that we are seriously trying to promote the export of flour if we are going to sit down quietly under such a spread as that. The old spread was at one time as low as half a cent. It went up a cent, then a cent and a half, then to three cents. The government became alarmed—that was in 1913, I think—at the spread having doubled. I remember taking the matter up with the British Board of Trade when in England, and I recall that the whole question was gone into pretty thoroughly by that body. No definite action was taken by them, however. My recollection is that at that time the spread was 5½ cents; to-day it is 7. That means there is just that much disability standing in the way of what the minister says ought to be done. We ought to export a maximum amount of flour, for the reasons pointed out by the hon. member (Mr. Jelliff). It ought to be done in the interests also of the dairying industry, because those engaged in that industry are compelled to import hundreds of thousands of dollars' worth of foodstuffs in order to carry on their dairying activities.

Mr. LOW: Wheat is one of the best ballasts that can be obtained, and consequently the vessels very often take it at an extremely low rate. The ocean rates are something over which we have little control; they are under the direction of an Atlantic shipping conference. We have at present a gentleman in England, Mr. Preston, investigating these matters.

Sir HENRY DRAYTON: I quite understand that in certain cases we do get grain carried at a nominal rate. I am only sorry that that is not done more often, and that that nominal rate does not work back to the producer. It is not within his power to take advantage of these adventitious contracts. But the question of spread has nothing to do with these accidental rates.

Mr. LOW: I do not know much about platinum, but I know a little about flour and wheat. What is the spread to which my hon. friend refers? Is it the spread between certain commodities?

Sir HENRY DRAYTON: No, the spread between the rates on wheat and on flour, a matter that has been discussed in this House and everywhere else for years.

Mr. LOW: My hon. friend had not made any reference to wheat or flour.

Sir HENRY DRAYTON: I beg my hon. friend's pardon; I thought I had. The spread I refer to is not that which applies in the case of abnormal rates or rates made applicable for the purpose of trimming boats; it is the spread between the regularly quoted rates, the conference rates, of wheat on the one side and flour on the other. If my hon. friend finds that his representative in England does not do something, well, he is going over himself and perhaps he will take a turn at it. Of course, some spread is to be expected; that must be said in fairness, because there are claims for damages, and there is a little more money involved in the case of loading and unloading flour. But the present spread is certainly a matter which should receive attention.

Mr. LOW: Does my hon. friend suggest a remedy?

Sir HENRY DRAYTON: I would refer the minister to the report of the committee on Agriculture last year and to the evidence taken before that committee on this very question. At one of the imperial conferences a committee was appointed to take this matter up, and a report was made two and a half years ago dealing with the question and suggesting, as I recall it, the creation of a tribunal in that connection. Nothing has been done by the government on that report. Perhaps they can find some better way of handling it, but certainly we shall never get anywhere unless we try to do something definite in connection with this question of spread.

Mr. LOW: I am already trying.

Sir HENRY DRAYTON: I hope my hon. friend will not weary in well doing. Perhaps he will be able to bring back something for us next year. May I ask the minister whether he thinks there is any more favourable centre than Lethbridge for the purposes of an elevator of this kind, having regard to the character of the country and to the fact that we have there a district which can only live if mixed farming is adopted to a greater degree and if there are enough screenings there for the purposes of feed to the necessary stock? I have not heard any particular reason why Lethbridge was overlooked when others were being built. There may have been some reason, but the minister has not given it.

Mr. STEWART (Argenteuil): I understood that Lethbridge was to go before Calgary at one time.

Sir HENRY DRAYTON: I do not know; I am only looking for information.

Mr. LOW: It certainly should have preceded erection of an elevator at Moose Jaw.

Sir HENRY DRAYTON: Is that not a point where there is really more chance for mixed farming, and for the sort of thing the Minister of Agriculture wants done? Is there no better point at which to start it? I would like to find out from my hon. friend what the milling capacity is at Lethbridge. As I understand it, a lower quality of flour is in demand for the markets of the Orient than for the European markets. We use for milling for the Orient grades 4, 5 and as low as 6. That, of course, makes a flour of a character that does not carry as well, and would not last as long, as flour from our No. 1 hard, and it is not worth as much. It would look to me as if it was in the interest of economy that that should be milled as conveniently to Vancouver as possible.

[Mr. Low.]

Mr. LOW: I suppose that my hon. friend knows that low grade flours are also made from No. 1 and No. 2.

Sir HENRY DRAYTON: I think there is a smaller proportion of low grade flours made from the more expensive grades.

Mr. LOW: It also depends upon the particular patent.

Sir HENRY DRAYTON: I think I am right in saying that we have a maket for our poorer grades of flour made from the lower grades of wheat in the Orient, and if I am right in that, it would also follow that it would be the course of wisdom to mill that at some point in western Canada that is convenient to the Vancouver gateway. It would seem to me there is a great opportunity just now to extend this milling business in the Orient, particularly in Japan at the present time, for obvious reasons. Is the minister in a position to say whether we have sufficient milling capacity at the present time? Does he not think it would be a good thing to have a multiplication of our milling activities? I think the hon. member for the district suggested three times as much.

Mr. LOW: The milling business increased almost too rapidly during the war, and the situation of the milling market to-day is that many mills find themselves in the position of running only twelve hours a day. I suppose my hon. friend knows that it is utterly impossible to make a flour mill pay when it operates only twelve hours a day, for the very simple reason that to operate for the other twelve hours costs only a trifle more. When the mill operates for only twelve hours all the overhead and almost every charge carried when operating twenty hours must be carried just the same. Operating at night simply means an addition to your staff of a couple of packers and a couple of millers only, say in a mill with a capacity of five hundred barrels. You would only require four extra men, but you could double your capacity. When the mill is working only twelve hours, an inferior flour is turned out because the run is stopping and starting again in the morning, and that is a bad thing. The longer the mill continues to run steadily, the more uniform and better the grade of flour turned out.

Sir HENRY DRAYTON: I entirely agree with my hon. friend, but he is speaking of the situation generally. I was speaking having regard particularly to the milling of the lower grades of wheat for the markets of the Orient, and the best geographical position for mills

for the purposes of that trade. My hon. friend is quite right as to the situation generally, but I was wondering how we were situated to-day having regard to the number of mills established in the district where it would be cheap and economical to handle the lower grades of flour through Vancouver to the markets of the Orient. The reason I asked is that the hon. member for the district pointed out that if the terminal elevator were built there, the local millers apparently think they have such a demand for their flour in the Orient that they are prepared to instal three times as great a capacity as they now have.

Mr. LOW: The great problem in operating a flour mill is that the lower grade flour brings a very low price, and consequently there is some question whether a mill could operate entirely on low grade flour. The territory to which my hon. friend has referred seems to commend itself to me as a very good point for a flour mill.

Mr. EVANS: I would like to again press the point of freight rates to the internal elevators. The internal elevators have mostly shown a loss, and I do not think the farmers know exactly the cost to themselves of turning in their wheat to the terminal elevators. The charge in some cases, perhaps, is too high. The farmer, of course, would like to use the nearest elevator possible, so that he may get his weights and grades and go to the bank and get his money, but he does not know what the extra charge will be when his grain is turned in there.

Mr. LOW: There is no extra charge, so far as the shipping of grain through the Edmonton elevator is concerned, except one cent a hundred, the usual charge for stopover. You can ship from any point and obtain the through rate to Vancouver with a stopover at Edmonton, at a charge of one cent a hundred for that stopover, whether it is for cleaning or any other purpose.

Mr. EVANS: Would that apply also to wheat destined for Fort William? Would it apply to wheat going to the terminal elevator at Saskatoon and loaded at some point east of Saskatoon?

Mr. LOW: I venture to say it applies to all. I might quote my own case. We have a stopover privilege at Fort William. We can ship to Montreal, and we have a stopover at my home town. It costs us on the all-rail route one cent, and lake and rail, three cents.

Mr. MILLAR: That cent a bushel stopover does not include elevator charges? It is simply for the stopover.

Mr. LOW: That is all.

Mr. KELLNER: Is there no charge for spotting cars in addition to that? When you re-spot your car to ship out, are you not charged for that also?

Mr. LOW: No, unless it is going out by another line, and it is some distance from the other. In my own case, between the Canadian Pacific and the Canadian National, there is a switching charge of $5.

Sir HENRY DRAYTON: That is on the car?

Mr. LOW: Yes.

Item agreed to.

Elevator, government grain, towards construction of, at Halifax, $200,000.

STRIKE OF POSTAL EMPLOYEES

Mr. HOCKEN: May I ask that question now which I have asked two or three times?

The CHAIRMAN: An undertaking was given to hear the hon. member's inquiry. Perhaps this item could stand until after dinner.

Mr. HOCKEN: I want to know what course the government intends to take in regard to the postal strike.

Hon. CHARLES STEWART (Argenteuil, Acting Postmaster General): We discussed the situation yesterday with the representatives of the postal employees and the newspapers last night intimated what the results of that discussion were. Before saying anything about that, may I say that before the executive left Toronto there was an order issued apparently for a strike yesterday at five o'clock, which would be effective throughout Canada. The executive, however, after discussions in Toronto, came here to discuss the situation with us yesterday. We appeared to be reaching an agreement in the neighbourhood of five o'clock, but whether the executive were late in forwarding their message to Toronto or not at all events the Toronto employees went out—all the postal workers in the offices and their assistants, all the mail carriers and their assistants, and the chauffeurs. Of course when that happened it broke in upon our negotiations. The government, as was intimated in the press, offered full consideration of the claims of the post office employees; we proposed that after the claims of the Civil Service were all adjusted by the Civil Service Commission we might sit around a table and discuss thoroughly the complaints of the

post office employees as well as the complaints of any other civil servant. In addition to that we suggested that in the case of employees whose revised rates as determined by the Civil Service Commission are less than the former rate plus the 1924-25 bonus, such bonus shall be continued until the salary revision for the entire service has been consummated. That in brief was the offer of the government, and up to five o'clock we had hopes that it would be accepted by the officials. For further consideration of the offer of the government they ordered their men to delay the strike for twenty-four hours. That order was not obeyed in Toronto nor was it obeyed in Montreal. Subsequently some of the men came back to work, but in Toronto they did not return. That was the situation up to ten o'clock last night, when the officers of the association left here to go to Toronto.

As hon. gentlemen well know, the busy hour of the day is about five o'clock in that city, which is the biggest centre perhaps, that is seriously affected. The mails come in about that time and there is heavy sorting to be done for distribution as well as the getting of the mails out on the trains. That was all delayed last night. At ten o'clock last night I felt that we could not delay any longer, and as there did not appear to be any hope of getting an adjustment in time to begin work upon the Toronto mailing, I issued instructions to the Toronto postmaster that if the men did not return by ten o'clock standard time this morning he was to proceed to put on men to take their places. That was done and I had a report at about four o'clock that indicated we had almost in the neighbourhood of four hundred employees at work in the post office at Toronto. So far up to the moment we have not, except in Montreal and in some of the other centres, had to resort to putting men on. The negotiations went on throughout the day in Toronto between the executive and the post office employees there, but at five o'clock the result was that they were not able to persuade the men to return to work. One of the officers—the representative from Hamilton, I believe—in disagreement resigned and intimated that he would undertake to try to prevent the men from going out in the city of Hamilton. I have no further word on the situation except that at the moment the men in Toronto, that is the regular employees are out. They are out in London to a considerable degree; they are also out in Windsor, in Belleville, in Brantford and part of them in Montreal.

As to the western situation we have word from a number of centres, namely, Calgary, Edmonton, Saskatoon—most of the large centres—and there is no indication at the moment of a strike occurring. I am given to understand that there was not complete unanimity of feeling about the matter in these centres. We have no further word from Vancouver or Victoria; they took no action. Of course word reached them much earlier in the day than it reached the city of Toronto. At Montreal the mails are being moved, and everything was going on to-day except at one postal station in the city where a little trouble developed this morning. In the Maritime provinces, with the single exception of Moncton, the officers were operating with full staffs. At any rate there was no intimation to the department that they intended to go out on strike.

What the result will be of the issuance of the order coming at five o'clock to-night I am unable to say, but I wish to restate what I said the other day in the House when speaking on behalf of the government: While I am a strong sympathizer with labour, while my sympathies are with the working man—as I think, perhaps, is the case with most of us—it is the government of Canada that is concerned here and it must carry on the business of the country. I said to the representatives of the men the other night "Gentlemen, my sympathy is with you up to the point where you declare a strike. After that bear in mind that I will exercise all the ingenuity and energy I possess to carry on the business of Canada." That is my feeling in the matter. At the moment we have nearly four hundred new employees at work in the Toronto post office. It is said that while the light holds out to burn the sinner may return. At the same time I simply have to say to the men that a settlement cannot be postponed indefinitely. The postal service of Canada must be carried on, the mails must be moved; and so far as I am able I am going to take every legitimate means to secure the number of employees necessary to do that. I make no threats. As I say my sympathy is with the man who has to work in that kind of way for a living. But there is a higher interest to be considered and that is the interest of the country at large. When that interest is attacked in that kind of manner my sympathy in very large measure ceases. Speaking on behalf of the government that is what I propose to do, so far as is possible, in order to keep the mails moving.

6 p.m.

Mr. HOCKEN: I wish to put two questions so that the House and the country may be informed; I have no desire to embarrass the

government in any way. What proportion of the total staff in Toronto is represented by the 400 men engaged, and have they been given the promise that they will be retained in the office in the event of a settlement?

Mr. STEWART (Argenteuil): At ten o'clock standard time to-day a notice was posted in the Toronto office that the men who did not return to duty would be considered out of the service. As to the newcomers there is a large waiting list of men who are eligible and have taken their examinations. They were given an opportunity to go on first and we will continue to take on men just as fast as we require them, and adjust the situation later. But the men we are taking on now will have to be protected.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Gordon in the chair.

Department of Trade and Commerce, elevator, government grain, towards construction of, at Halifax, $200,000.

Mr. MILLAR: The matter of keeping grain in Canadian channels has received a great deal of consideration, and some of the measures that have been adopted towards that end have been wise and some have not. According to remarks that have been made from some quarters during the last few days, it is apparently thought that a great deal could be done, by appealing to the patriotic feelings of our Canadian people to induce them to ship through Canadian channels, I think the Minister of Railways and Canals (Mr. Graham) suggested appealing to the western farmers particularly. This will be entirely futile. The movement of grain passes out of the hands of the Canadian farmer never further east than Fort William. The exporter, the shipper can do something in the way of keeping Canadian grain in Canadian channels, but he is not likely to do so unless that is the cheapest route.

I take it that building an elevator at Halifax is an attempt to keep Canadian grain within Canadian channels, but I contend that it will not succeed; that perhaps no vote that will be presented to this House deserves greater condemnation or greater opposition than this vote for an elevator at Halifax. I should like to see Canadian grain kept in Canadian channels; I should like to see the city of Halifax built up; I am friendly towards the city of Halifax; I am quite as willing to see money spent in the far corners of the Dominion as near my home; but in this case I contend that spending money for the erection of an elevator at Halifax will not, to any extent, benefit that city except that the money will be spent there. The grain will never go there. Halifax will never become a grain port.

Why is this the case? Simply because the rail haul is too long. If one looks at the route of grain down the Great Lakes, one is struck with the fact that the railways cannot compete with the water route where there is open water. The case is different when the question is one of canals. The carrying cost in open water such as lake Erie, lake Ontario, once you get to that open water, is only about one-eighth the cost by rail. In order to get to the open water, the Welland canal must be completed; but after that canal is completed, we shall then have open water as far east as Prescott. As it is utterly impossible in any part of Canada for railway transportation to compete with open water transportation, how is it going to be possible to carry grain the distance that was given in this chamber last night of 743 miles from Montreal to St. John? There are times when grain will go to St. John, the St. Lawrence route being frozen up; and there are certain conditions that operate in favour of St. John. So that I believe that grain will be handled at St. John in considerable quantities. But when it comes to carrying grain to Halifax, over a hundred miles further by rail, I cannot see the wisdom of such a course; the cost of that extra transportation will have to be borne by the country. What would be the object of carrying grain another hundred miles by rail when it can be carried by water at one-eighth of the cost. To be sure, if the grain goes to Halifax it will be nearer Liverpool; but there is a considerable difference between carrying grain by rail and carrying it by water.

Mr. FINN: When the hon. member says that the grain can be carried by water he is speaking of the St. Lawrence route when navigation is open there.

Mr. MILLAR: Not necessarily so.

Mr. FINN: Then will my hon. friend tell us what he means?

Mr. MILLAR: When the St. Lawrence route is open I believe very little if any grain will go through either St. John or Halifax. It would be preposterous to carry grain by rail 700 miles, and in the case of Halifax

843 miles, when it can be carried the same distance by water for one-eighth the cost. Is there any force of appeal to patriotism that would induce shippers to go to that extra expense?

Mr. LOW: I might answer that by reading a letter which I wrote Sir Henry Thornton, the president of the Canadian National Railways, and his reply. The following is my letter to him:

As you are no doubt aware, we have had under consideration for some time the matter of the erection of an elevator at Halifax.

There seems to be a difference of opinion among the grain men and others as to the wisdom of building an elevator at this port. In the estimates last session we made provision for an amount to enable the government, if found advisable, to commence the construction of an elevator at this point. However, before undertaking this large expenditure, we desire to know absolutely whether it is in the best public interest. I am therefore writing to ask you to let me have your frank personal opinion on this matter as soon as possible.

He replied on February 21, 1924, as follows:

Replying to your inquiry of February 15th, with reference to the proposed elevator at Halifax, briefly put, the following represents my view of the position.

The elevator referred to is of a terminal character and it is my understanding that it will be built and operated by the government—not by the railway. The railway has however recommended the erection of the facility as the present elevator has entirely outlived its usefulness.

Having regard to the long haul to St. John and Halifax, it is doubtful if there is any profit to the railway company in handling grain to either port. But this commodity is required by steamships at both ports partly for ballast and partly as cargo, and consequently an elevator at both ports would seem to be justified.

Bearing in mind the legislation recently enacted making Canadian ports attractive to import business, principally from Great Britain adequate and modern facilities for handling grain at Halifax would appear to be necessary for the protection of steamship service, and therefore a situation is created which is beneficial to the country as a whole.

Mr. MEIGHEN: What is the date of that letter?

Mr. LOW: My letter and the reply are dated respectively February 15 and 21 of this year.

Mr. MEIGHEN: I thought the government had decided on this matter long ago.

Mr. LOW: When I came into office I had before me all the information, but I endeavoured to ascertain the opinion of the president of the National Railways, knowing that he would give me his views frankly. I have read to the committee just what he wrote to me.

Mr. EVANS: Notwithstanding all that the minister has said, I cannot see that an elevator at that port is at all needed. Since the Vancouver port has been developed for the handling of grain, very little grain has gone east after navigation has closed. And even if it were necessary to haul a part of the western grain crop to a Maritime port, what is wrong with the port of St. John? Surely that has never been congested yet, and there are no indications that it ever will be. Seeing that Vancouver is a port through which grain can be shipped out all the year round there will be absolutely no necessity for hauling grain all the way to Halifax by rail. I am utterly opposed to this vote.

Mr. MILLAR: Last year I believe the amount of grain handled at this port was either 300,000 bushels or 300—I have forgotten just what the figure was.

Mr. FINN: If the hon. member proposes to discuss this matter I wish he would make himself acquainted with the facts. Neither 500 nor 300 bushels is correct; the hon. member's figures are absolutely wrong. Let him get the facts before he undertakes to discuss the matter.

Mr. MILLAR: If there is anything wrong about the figures I have, the responsibility must rest with the Department of Trade and Commerce because these figures were certainly contained in the report of that department.

Mr. FINN: I challenge the hon. member's statement and call upon him to produce the figures. If he will submit the facts I shall be content to accept them; but his statement is absolutely incorrect.

Mr. MILLAR: I shall be pleased to do so.

Mr. LOW: The elevator facilities at Halifax are inadequate for the handling of the grain. I really do not know whether there is any grain going through the elevator or not; it may be going direct from the rail to the ship.

Mr. MEIGHEN: If there is no grain going through Halifax the elevator would handle it all right. What does the minister mean when he says that he does not know whether or not there is any going through?

Mr. GRAHAM: They are no longer discharging where the elevator stands.

Mr. MEIGHEN: Oh, is that the reason?

Mr. GRAHAM: There is no elevator handy now to handle the grain.

Mr. MILLAR: Does the minister think it is good policy to spend large sums of money carrying grain over the railway for the purpose

of providing ballast for the ships? Does he think we should compel the railways to carry the grain for nothing? I infer from the remarks made yesterday that it is the intention to compel the railways to carry the grain a part of the way for nothing; that is to say, they are not to be permitted to charge more for carrying the grain to Halifax than they charge for carrying it to Portland. That of course does not apply to the American railways. Now, this simply means that the National Railways will be obliged to carry grain hundreds of miles for nothing. Is that fair to those who are paying the bill? The Canadian people as a whole will have to pay for all this, and it does not seem to be a wise policy to take money from the public treasury or out of the producers of grain in order to make possible the transportation of wheat to Halifax to provide ballast for the ships.

Mr. VIEN: Does my hon. friend think that the railways even at a reduced rate will lose money?

Mr. MILLAR: If the railways are carrying grain to Portland a distance of 297 miles at a fair rate—and we may assume that they are not getting more than a fair rate—then if our railways are compelled to carry it 843 miles for the same price, is that not sufficient evidence for my hon. friend that our railways will have to carry the grain part of that distance for nothing, and must therefore lose money?

Mr. FINN: No, it is not.

Mr. MILLAR: Either they are losing on the one or they are getting an enormous profit on the other.

Mr. GRAHAM: My hon. friend should bear in mind that there is other traffic besides wheat, and that the success of the railway depends on the traffic it gets both ways, from east to west, as well as from west to east. The steamship companies with which the Canadian National is doing business give the railway a large inward traffic at Halifax, and if for the benefit of those ships that must get ballast wheat is carried, you will have to take into account the cost of the carriage of that wheat in connection with the profit from the cargo on the westward voyage. That trade is being developed by the ships calling at Halifax, and last year it was double that of the year before. It is like a grocer selling sugar on which he does not make any profit in order that he may sell some other commodity on which he does make a profit.

Mr. MILLAR: Would the minister apply that to the National Transcontinental and the port of Quebec? Strange to say, the cost of carrying grain from Armstrong, north of Fort William, to the city of Quebec a distance of 960 miles, is 21 cents, whereas the cost from Calgary to Fort William is 15½ cents or for 960 miles is 11 or 11¼ cents. If that is a good policy, would it not be wise to develop Quebec by allowing the railways to carry grain at a reasonable price, for they would get return cargoes from Quebec and the increased traffic would build up that port?

Mr. FINN: The rate from Winnipeg or from Fort William to Quebec is the same as to Montreal.

Mr. MILLAR: Oh no.

Mr. FINN: I think if my hon. friend has facts and figures bearing on this he should produce them before contradicting my statement. I have looked into the matter and know.

Mr. MILLAR: Grain is carried by the rail and water route for very much less; it is carried down to the bay ports for about 3 cents.

Mr. FINN: I am talking of the all rail rate.

Mr. LOW: The rates on grain all rail from Fort William to Montreal or to Quebec are the same; by lake and rail they are somewhat less to Montreal.

Mr. VIEN: Half a cent a bushel.

Mr. LOW: It is more than that—four or five cents. But from Montreal to Quebec the local freight rate applies, which amounts to about 10 cents per 100 pounds. Of course, if you ship by water during the navigation season you have the advantage of the lower rate. But when you have to ship all rail, or lake and rail from the bay ports—because the elevators there fill up during the fall and you are able to continue shipment by rail through the winter—there is a very slight difference.

Mr. MILLAR: But why is it that the grain is carried for such an excessive price from Fort William? As I pointed out before, while the rate from Armstrong to the city of Quebec is 21 cents, for the same distance, 960 miles, the through rate on the Canadian Pacific from Calgary to Fort William is 11 or 11¼ cents; that is, it is just double.

Mr. LOW: Double from where?

Mr. MILLAR: From Armstrong on the National Transcontinental about 200 miles north of Fort William.

Mr. LOW: What is the through rate to Quebec?

Mr. MILLAR: Twenty-one cents a bushel from that place to Quebec, a distance of 960 miles. I had read that statement, and I inquired of the author if it was absolutely true, and he assured me it was.

Mr. LOW: The rate from Fort William to Quebec is only 39 cents per 100 pounds. Three-fifths of that is about 23 cents a bushel.

Mr. MILLAR: That would verify my figures.

Mr. LOW: And the other is 21 cents; there is a slight difference.

Mr. MILLAR: A very slight difference.

Mr. LOW: But my hon. friend knows that there is very little traffic on certain parts of the line.

Mr. MILLAR: But we are anxious to keep our grain in Canadian channels, and it seemed to me strange, particularly last fall when there was so much congestion on the lakes and trouble in getting our grain down at reasonable rates, that there should be this prohibitive rate from Armstrong to the city of Quebec, where we have an elevator with a capacity of 2,000,000 bushels only partly used. One would almost think that Canadians were not anxious to keep their grain in Canadian channels. Now, the government can take this course if they wish in order to divert grain to Halifax, they can place an elevator there, but it is forcing the traffic uphill, it is the wrong place for it to go. They can say: "Well, we will force grain there, if we have to carry it for nothing." Traffic can be developed to Halifax in that way, but otherwise that port will not become a grain outlet. I would be willing to vote money for Halifax for any legitimate purpose, for I should like to see the port built up,—

Mr. FINN: Thank you.

Mr. MILLAR:—but I am quite convinced that it is a mistaken policy to force grain to Halifax at a considerable loss by compelling the railways to carry it at much less than cost.

Mr. FINN: I do not want to interrupt my hon. friend, but if he wishes to be taken seriously let him give facts and figures in confirmation of his statement.

[Mr. Low.]

Mr. MILLAR: I shall be very pleased to ask my hon. friend for information when he speaks.

Mr. FINN: When I speak you can ask me anything you like and I will try to answer you.

The CHAIRMAN: Order.

Mr. MILLAR: He will probably remember the statement I made a short time ago that the railways are carrying grain from Montreal to Portland, a distance of 297 miles, for a certain rate, which we may assume is a fair rate. In view of this I should like him to show by facts and figures how the railways can be expected to haul grain for a distance of 843 miles for the same rate and not lose money. I shall be very pleased to give him a chance to answer now.

Mr. FINN: Mr. Chairman, I propose to take my own method of placing my facts before the committee. But when my hon. friend speaks of the difference in distance between the two hauls of 550 odd miles, I presume his comparison is between the rates from Winnipeg to Portland and from Winnipeg to Halifax.

Mr. MILLAR: No.

Mr. FINN: Well, between what ports is the comparison made?

Mr. MILLAR: I took the figures given here last night by the hon. member for Red Deer (Mr. Speakman), which I assume are correct, namely, Montreal to Halifax, 843 miles.

Mr. FINN: What other port are you putting against that?

Mr. MILLAR: Montreal to Portland, 297 miles.

Mr. FINN: An American port.

Mr. MILLAR: Yes.

Mr. FINN: Good for the Canadian West.

Mr. MILLAR: I am not advocating that our grain should go there. Surely my hon. friend does not misunderstand me. I am simply comparing rates.

Mr. FINN: When the St. Lawrence closes and the ports of Montreal and Quebec are not available, if he is not seeking to send Canadian grain to Portland, where else is he going to send it unless to St. John or to Halifax?

Mr. MILLAR: I stated a few minutes ago that when St. Lawrence navigation is closed the grain will go to St. John, and should go there.

Mr. FINN: Does my hon. friend know the difference between the all rail rates from Winnipeg to Halifax and from Winnipeg to St. John? If he does, let him tell the committee. He should have all the facts and figures bearing on the case.

Mr. MILLAR: I know the difference in rates between Montreal and St. John and between Montreal and Halifax.

Mr. FINN: But what is the rate from Winnipeg? Let us get out West.

Mr. MILLAR: I do not see what that has to do with it.

Mr. FINN: I am asking the question.

Mr. MILLAR: The large part of the grain will be at the port of Montreal.

Mr. FINN: I am asking the hon. gentleman if he knows the difference in mileage between the haul from Winnipeg to St. John and the haul from Winnipeg to Halifax.

Mr. MILLAR: I do not think it is necessary to know that. According to these figures it is over a hundred miles further to Halifax than it is to St. John so that the grain will naturally go to St. John.

Mr. FINN: Does my hon. friend know the difference between the haul from Winnipeg to Portland and the haul from Winnipeg to St. John, where he says the grain should go?

Mr. MILLAR: That has nothing to do with it.

Mr. EVANS: The minister told us last night that the charge against the handling of the grain from western Canada was about 6½ per cent on the facilities erected for handling that grain. When the Minister of Railways says that grain is needed at Halifax for ballast, to what department would he charge the construction of this elevator?

Mr. GRAHAM: It would be charged to the Department of Trade and Commerce and come out of current account. We cannot discuss this question from one angle only, otherwise we do not get at the real essence of it. During the past year, as a result of the new arrangements or the development of old ones, the Canadian National has had connection with increased steamship landings at Halifax. If it be necessary for these steamers to have wheat ballast, is it not better to work that in through Halifax, retaining the trade with the steamships and encouraging the steamships to call at that port? It does not cost the grain producer any more, and in the final analysis it will not cost the railways much more. It is worth while to make these experiments. If arrangements are not made by which outgoing ships can get cargo as ballast, what will be the result? If the Canadian product is all carried to Portland, which is the shorter route, then the traffic will not in every instance be over the National Railways, because once you get to Portland there is competition, whereas at Halifax the Canadian National has the advantage. We cannot fairly discuss the matter without taking into consideration these various aspects of it—the traffic east and west, the circumstances with respect to return haul, the local traffic, the development of the harbour, of the port, and so on—not particularly, perhaps, the development of the port, but the consideration that when ships are induced to call there the resulting traffic will bring good returns to the Canadian National Railways. That traffic, if developed properly, would overcome anything that might be lost in the hauling of the wheat to Halifax.

Mr. BAXTER: I confess I rather enjoy the ingenious but very patent attempt to inject into the discussion of this vote that which is calculated to cause friction between St. John and Halifax in the hope that they will begin to fight with each other so that there will be an excuse for not making an expenditure. I want to serve formal and friendly notice on the rest of Canada that the day for that sort of jockeying has long since passed. There was a time when a delegation could not come up from Halifax to see the government of the day about what they regarded as necessary expenditures without a rival delegation proceeding to Ottawa on the next train to badger the government for something for St. John. Well, we are not going to be played that way any longer. Our people are coming to realize the importance of the problem as a whole and we are prepared to support whatever will make for the benefit of Nova Scotia or of New Brunswick, irrespective of the constituency from which we come and of our political affiliations. We had a lively example in the House tonight: We almost had the olive branch held out. One hon. member—and his attitude is perfectly typical—is willing to give Halifax or to give St. John something that has not been asked for, that nobody has yet thought of; but if a concrete proposal is made to do anything for one or for the other he finds that it is something not directly subservient to the interests of the West, therefore he will not support it. We do not admire that sort of tactics; it does not appeal to any spirit of broad Canadianism. If the part of this country that really carries the business is pre-

pared to take a course which will not add to the railway burden of the country but will change the aspect of it so that the burden will be borne for Canada and not for a foreign country, I do not think it is much of the business of hon. gentlemen sitting to my left. We in the Maritime provinces are entitled still to be regarded as a part of confederation, and we propose not to go out of confederation. Only those who indulge in idle talk in that part of Canada ever make any suggestions of that kind. Without our co-operation there would have been no confederation and the gentlemen who are so liberal in their criticism of the Maritime provinces to-night would not be here as representing any province of Canada, because there would be no Canada.

Some hon. MEMBERS: Hear, hear.

Mr. BAXTER: Hon. members may say "hear, hear" as decisively as they like, but Canada is going to hear it and Canada is going to heed it. I do not care whether it comes from the Pacific coast or from the centre of the West, this spirit of disunion, this spirit of belittlement of parts of Canada that are of reasonable importance, is not going to meet with the approval of the Canadian people as a whole. The sooner the two very much scorned old parties that we used to hear so much about in this House, who have been held up to execration as models of all that was unfair and unrighteous in politics—the sooner the two old parties forget something of the strenuousness of the fight between them and join hands to save the real interests of Canada from the modern depredators, the better it will be for our common country. It is all very well to criticise a vote to build something in the Maritime provinces, but we would not have any howl if the proposal were to throw out a few handfuls of millions to build an imaginary road to the North Pole—or perhaps divert it to Hudson bay. That would be perfectly logical; that would be perfectly legitimate. If I were to express the feeling of the Maritime provinces upon that I would say it is a wild project that no party in this House should be committed to. But I am not making that assertion. I am waiting until the government is pushed a few inches further by my hon. friends to my left on that subject of the Hudson Bay railway, and then I will declare what I conceive to be the position of some portions of the Maritime provinces.

Just at the present we are dealing with an attempted denial of our right to share in the general grain traffic of Canada. Now I concur in what has been said by the Minister of Railways, that even if you carry grain at a loss you are getting return cargoes. Give us a chance in the Maritime provinces to handle as we ought to handle, the whole of the commerce of Canada that comes to us in the winter time by virtue of the Imperial preference, and we will show you return cargoes and be able to carry that grain without any loss. Just do by order in council what you can do under a statute that was passed in the time of Sir Wilfrid Laurier, limit importations under the British preference to Canadian ports and Canadian bottoms, and we will take care of the grain in the Maritime provinces. But we will have to have the facilities to handle that grain and to handle the traffic generally, and we are not begging when we ask for them. We are only asking that the purpose of confederation shall be carried out, and that some gentlemen who have not been very long in Canada shall acquire a sufficiently Canadian attitude to join with us in doing this.

As I say it is a matter of absolute indifference to me whether this vote is for Halifax or St. John. Both ports require the equipment, and the fact that this is proposed for Halifax before the same adjunct is proposed for St. John makes no difference to me. I am in favour of it because it tends to enlarge the spout of the hopper, and enables us to handle the traffic where it ought to be handled during six months of the year. At the same time, I think I have a right to ask the minister whether he is playing square with the people of Halifax in this vote. I want to know whether this is an honest vote for an honest elevator that will be built according to modern-day plans and specifications. I had occasion to be in Halifax about last December, and it was an interesting occasion. The elevator was going to be built then, and tenders were invited for that elevator. I have no objection to an elevator being built at Halifax, mind you. I am strongly in favour of it, and strongly in favour of the policy that will bring traffic to it; but if I were a member of a government that was going to build an elevator in Halifax, even if I were going to build it on the eve of the Dominion by-election, I do not think I would call for tenders or plans that were afterwards discovered to have been made for some other place, and to have been many years old. I think I would be a little more sincere than that. I want to know from the minister whether these plans have been revised and are now up to date, and what the probable cost of the elevator is going to be. I know that $200,000 is only a beginning; I would like to

know the total estimated cost, the capacity of the elevator, and above all, where he proposes to put it, because I think that there were no less than three good party friends who had three equally available sites in the month of December last, and it was suggested it was rather difficult to make a decision immediately prior to an election. I hope the minister has found out, since the stress of the by-election is over, just where he is going to put the elevator.

I think I have also a right to ask the Minister of Railways, who is always very gracious in giving any information he can, whether there is going to be a railway policy for Canada that will take that wheat from the West and carry it to the port of Halifax. There will be no jealousy on the part of St. John. We are getting some of our share of the grain through the agency of the other great national railway at the present time, and we are looking to the Canadian National Railway to develop the port of St. John so that it can handle more business.. Our vision is large, but it is justifiable. Our vision is large enough to believe that you can equip both ports with vastly greater facilities than they now possess, and still they will not be handling the whole Canadian business, if that business is honestly and zealously turned into those channels in the winter time. I would ask the Minister of Railways whether plans are in being now by which rates will be afforded and facilities given to actually carry the grain to this elevator when it is built. If the minister can give me that assurance it will make me support all the more hearty, and if the Minister of Trade and Commerce can tell me that the plans for the elevator are modern, that he has settled on the site, and that they are going to build this elevator and make use of it, then it is something which I am perfectly ready to support in this House. But do not ask me, please, to vote merely to dangle something before the eyes of the people of Halifax. Let the glittering vision really come down upon the earth this time and take a concrete shape that was denied to it in the month of December last.

Mr. LOW: As far as the Halifax elevator is concerned, it will be looked into during the recess—

Mr. BAXTER: Has it not been looked into yet?

Mr. LOW: If my hon. friend will permit me to answer his question, I intend to look into this elevator, along with all the other elevators, during the recess. So far as the site is concerned, if I adopt the same plan I adopted at Edmonton and ask the city council and the board of trade, together with the railway, for I consulted the railway, to accompany me and show me the site they think would be in the best interests of the city—

Mr. BAXTER: I think the railway is the chief thing to consult.

Mr. LOW: —if I follow that course, will my hon. friend have any objection to the site that is chosen?

Mr. BAXTER: Not a bit. I will applaud it.

Mr. MEIGHEN: If they differ which site will the minister take, the board of trade's or the railway's?

Mr. GRAHAM: The best site.

Mr. LOW: If the board of trade and the railway board agree on the site, two out of three, the ordinary man ought to be convinced that the better site had been chosen.

Mr. MEIGHEN: Would the minister take the city council and the board of trade over the railway?

Mr. LOW: No, the railway is interested in the elevator.

Mr. CALDWELL: You will build it on the railway?

Mr. LOW: We will try and build it on the Canadian National railway. Our first interest is in connection with the railway.

Mr. BAXTER: How about the plans and specifications and that sort of thing?

Mr. LOW: I have already returned the plans to the engineers and asked them to remodel them. They inform me that certain things can be eliminated without affecting the efficiency of the elevator, and that a 500,000 bushel capacity elevator can be erected for between $500,000 and $600,000, and in such a way that an additional capacity of 100,000, 200,000, 250,000 or 500,000 can be provided at any time.

STRIKE OF POSTAL EMPLOYEES

Hon. CHARLES STEWART (Acting Postmaster General): Mr. Chairman, as this is a very critical time for me, I should like to take this opportunity of making a correction of a statement I made just before six o'clock relative to the strike. I told the House that we had taken on in the neighbourhood of 350 men in Toronto. That figure was incorrect. We had applications from almost 400, but we have taken on and have in em-

ployment at the moment only 180. I do not want any misleading statement to go out; I want every statement I make to be absolutely correct, and I have therefore taken this opportunity that the Chairman has afforded of correcting my statement.

SUPPLY

Mr. MILLAR: I do not care to allow the remarks of the hon. member for St. John (Mr. Baxter) to pass without reply. I am very glad he has got this off his chest, for it is a very bad thing for anybody to have on his chest. The trouble with my hon. friend is that it seems to accumulate there very frequently. Every other day my hon. friend has an accumulation which he must throw off in this way. And why is he doing it now? Because I discussed the rates at which our grain should reach the seaport, a matter in which we are vitally interested, without the least possible reason for giving rise to the fear that I had ulterior motives, or wished to create friction between the two ports. My hon. friend, in his characteristic manner, reads into my speech something which is not there. He suggests that I wish to make trouble. I am sure that with my hon. friend living in one of the districts in question there is no need for any one else to make trouble. If there is any necessity for stirring up bad feeling all that is necessary is to let the hon. member alone—he will produce that result quickly enough. I had absolutely no thought of creating any bad feeling between the two ports, but in the West we are interested in the cost of carrying our grain and we do not want to see an elevator built unnecessarily if the expense is to be charged up to the revenue derived from our grain. That is an important point and I should like the minister to consider it.

Mr. FINN: If my hon. friend wants to be consistent he ought to stop the operations of the Canadian National Railways in the West because they are carrying millions of a deficit to-day.

Mr. MILLAR: Is my hon. friend referring to interior elevators?

Mr. FINN: I am talking about the Canadian National Railways— the Canadian Northern, the Transcontinental and the Grand Trunk Pacific.

Mr. MILLAR: We have every reason to believe those railways are paying.

Mr. FINN: Are they? Are they paying the interest on the capital cost?

Mr. MILLAR: Can the hon. gentleman give facts and figures to prove they are not?

[Mr. C. A. Stewart.]

Mr. FINN: Yes. I say that to-day the Canadian National Railway system, and largely in the Canadian West, is carrying a deficit of between fifty and sixty millions a year.

Mr. MILLAR: And what share of the loss is incurred in carrying products to and from the Maritime provinces?

Mr. FINN: I am positive it is under four millions. Deduct that from the fifty millions and forty-six millions remain. You can take your share of that. I will agree to the elevator project being stopped if my hon. friend will agree to the stopping of the operation of these railways in the West where they are not carrying on at a profit.

An hon. MEMBER: My hon. friend would not get any grain down in his elevator then.

Mr. KELLNER: Hon. gentlemen in this portion of the chamber who are opposing the project hardly realize the seriousness of the situation. Actually the hon. member (Mr. Baxter) says that if the opposition is persisted in there will be a danger of breaking up confederation. A little later he suggested that the two old time parties should get together and decide on a reasonable plan that would furnish a profit to one of these two ports in the east. However, I did not rise for the purpose of taking exception to what my hon. friend said. Western Canada is just as anxious for the upbuilding of eastern Canada as it is for the development of any other section of the country. I believe the farmers there are ready to send their grain to the East at any moment if a satisfactory rate can be granted. The desirability of this was pointed out last night in a very brilliant speech by the Minister of Railways. Let me mention a few things in which the West feels that it is not getting a fair deal, not as a result of the action of any particular section of the country but owing to the operations of certain interests in Canada. I would refer first to what took place in parliament two years ago when we discussed the Crowsnest pass agreement and were successful in having the price of grain brought within the terms of that agreement. The western farmers thought that meant a considerable advantage and anticipated saving quite an amount of money on their crop that year, but the result was not what they expected. The vessel owners on the lakes immediately raised their rates and swallowed up the benefit the western farmers expected to have derived by virtue of the Crowsnest pass agreement. I

believe I am safe in saying that the western farmer in consequence received practically nothing from the reduction under the Crowsnest pass agreement. Then the embargo on Canadian cattle going to England was removed but what happened in that case? The ocean freight rates were immediately raised to a figure that took care of any reduction the West had hoped to derive from the lifting of the embargo. This session the government reduced the tariff rates on agricultural implements, and it was only reasonable to suppose that as a result the western farmer would be able to buy his implements a little cheaper. However, at this very time the Railway Commissioners are considering applications from railway companies asking for a reclassification of freight rates, which simply means that these companies are trying to get the benefit which should accrue to the western farmer from the tariff reduction. If such things are going to continue it would almost seem that no matter what load the western farmer gets from under, some other interest slips in and reaps the benefit. Now, in matters of this kind regard should not be paid to one section of the country. There should be co-operation between all parts of Canada so that from whatever action is taken the West will benefit as well as the East. And so we say to hon. members that if they will co-operate in helping us to overcome our problems, we will be ready to respond to any reasonable demands they may make upon us.

Mr. BLACK (Halifax): I must say that when I saw this vote in the estimates for the Halifax elevator I was considerably disappointed. The project has been a live issue for a long time. It has been greatly talked about, and many promises have been made in regard to it. All these seemed to have come to a focus in December last when it was expected the elevator positively would be constructed at once. This view seemed to be justified seeing that tenders were called for and offers received, and apparently only the return of the Prime Minister from England was necessary to close the bargain and proceed immediately with the construction of the elevator. At that time $200,000 had been voted, the same sum that now appears in the estimates. But nearly seven months have elapsed and we are told by the minister that the plans have not yet been decided upon. Practically nothing has been done we are given to understand, and the matter is still under the consideration of the government. Under the circumstances but one conclusion can be arrived at in my opinion and that is that the government are playing with the subject. There is no intention on their part to erect an elevator at Halifax until another election looms up. Then we shall have one built in the air, so to speak, and it will melt in the sunshine. That is no way to conduct public business: It is not the way to treat any portion of the Dominion. Notwithstanding the treatment accorded to Halifax we see the sum of $1,000,000 in the estimates this year for an elevator at Edmonton—following a vote of $200,000 last year—and how much more will be demanded next year none of us can tell. As so much storage is required for the grain out there in the West, which grain has to be moved east or west after it is placed in that elevator, why should the Canadian National Railways not provide in the eastern section of the country facilities for the handling of that grain? In the winter time water transportation which my hon. friend (Mr. Millar) spoke about, is out of the question. The rail rates to the Atlantic coast from Halifax on the north to, I think I can say, Baltimore on the south, have been equalized. The rate on inland carriage from points of production to the ocean is the same to all those ports. If that be the case, if the railways have established that principle, why should my hon. friend be so concerned about carrying the grain to Halifax, which is, I admit, somewhat farther east than ports farther south?

9 p.m.

There is another point which, perhaps, he has not thought of. If the land carriage to Halifax is longer than to either St. John or Portland, that certainly shortens the ocean carriage, and would it not be a reasonable proposition that the steamer which carries the grain the shorter distance from Halifax to the Old Country should reduce her rate for ocean carriage somewhat below the rate from St. John, Portland, New York, or any of the other Atlantic ports? The saving of time to a steamer would be greater, and we all know that time in connection with shipping is valuable. That would be a reasonable proposition and, if adopted, would give the inland carriage that much greater advantage.

We have heard a great deal about Canadian business going through Canadian ports. That is a policy which I think this country should adopt and should begin at once putting into effect. It is not, perhaps, for me to suggest how that is to be done. It is for the government to work out a policy which would be for the benefit of this country as a whole. Vancouver, it is true, has lately attracted a good deal of attention in connection with the shipment of grain. From what we hear and read, that business will increase there, and we are very glad to know that it will, because until

shipments of grain began through Vancouver, it all came east, the bulk of it going over American railways and through American ports.

My hon. friend to my left (Mr. Millar) has centred his argument on the fact that the distance is nearly 200 miles further from Montreal to Halifax than from Montreal to St. John; but I would remind him that the grain that would be shipped to Canadian Atlantic ports originates not in Montreal, but in the West, and therefore the difference in distance would not be so adverse as the hon. gentleman makes out. Complete trains of grain can be operated and handled with very little additional cost. Money would be earned by the handling and transportation of that freight and the overhead of the railways would be no greater. Therefore, the conclusion, it seems to me, is reasonable that without any extra overhead the earnings of the railways would be increased and the profit of handling and hauling this grain would be as much as the railway companies could, within reason, expect.

I am pleased with the remarks of the hon. member for St. John City (Mr. Baxter), who took the broad-minded view that he would be glad to see elevators built at Halifax and a development there. I feel with him that the competition and rivalry of days gone by no longer exist and that we can work together for the common good without any feelings of jealousy and distrust.

It is gratifying also to find that the government, apparently—and I am judging from what the Minister of Railways and Canals told us—is waking up to the fact that there are Maritime provinces and that they are worthy of some consideration. We have waited a long time for such an atmosphere. The various governments of the past appear to have handled this question of the rights and interests of the Maritime provinces with the same indifference. But it would now appear as if we were receiving some attention and as if good would come to us in the future because of this awakening.

As the Minister of Railways and Canals said —and my hon. friend to my left should bear this in mind—the question is not one of grain alone or whether the grain pays or not. I doubt if any business in the world, I might say, is carried on, regarding which every article that is dealt with shows a profit. If it is necessary, in order to bring grain to Maritime ports, to carry that grain at cost, it is the duty of the great railway systems to do so and to take their profit out of the rest of the traffic which they are handling, the two working together with the result that profit comes.

The question of the elevator, I am sorry to say, appears to have been delayed. I did not catch what the minister said regarding the building, whether the plans are under way, whether they are completed or whether departmental officials are coming down to investigate sites. I would ask that he repeat the statement.

Mr. LOW: The plans are being investigated further. I did not raise the question as to where the elevator should be erected; it was introduced by my hon. friend (Mr. Baxter). I simply answered the question by saying that I would adopt the same plan as I did in connection with the elevator at Edmonton. I consulted the city council, the board of trade and the Canadian National Railways, and I do not think that if I were to follow the same course in connection with the elevator at Halifax any hon. member could find fault.

Mr. BLACK (Halifax): That is quite all right; I do not raise a moment's objection to that. But when are we likely to have the site selected and the work gone on with?

Mr. LOW: I have already stated that the erection of the Halifax elevator will be taken under consideration when the whole question of the marketing of grain is investigated by myself this year, and I hope that something definite will be done. Personally I am inclined to agree with the letter which I have read from Sir Henry Thornton; I agree that if Halifax is to remain a port ballast must be provided. If it is found advisable to build an elevator there after further examination we shall build one.

Mr. LUCAS: What is the capacity of the present elevator?

Mr. LOW: I do not think it is in use at all. I have no idea what its capacity is; perhaps my hon. friends from Halifax could tell us.

Mr. MEIGHEN: How much grain has gone through the present elevator in each of the last three years?

Mr. LOW: I have not the figures for the last three years, but I have for 1923—300 bushels.

Mr. FINN: The grain that passed through the port of Halifax in the last three years amounted to—

Mr. MEIGHEN: Through the elevator.

Mr. FINN: Through the elevator, yes; I will give the figures.

Mr. MEIGHEN: What was it for 1923?

Mr. FINN: From 1921 to 1924 it amounted to 2,861,612 bushels.

Mr. MEIGHEN: How much went through in 1923?

Mr. FINN: I do not know whether my right hon. friend wants me to make in reply the same sort of statement he made at the last session of parliament. He said then that very little had gone through and that as far as he knew, from the information he had, the elevator had been burned down. If it is burned down of course nothing could go through it.

Mr. MEIGHEN: Who said that?

Mr. FINN: No less a person than my right hon. friend himself.

Mr. MEIGHEN: The hon. member apparently is anxious to have a quarrel with me. He was in the House very little last session.

Mr. FINN: I was in the House the night the right hon. gentleman made that statement.

Mr. MEIGHEN: I think the hon. member is dreaming.

Mr. FINN: Perhaps my right hon. friend will allow me to read what he said.

Mr. MEIGHEN: By all means.

Mr. FINN: I quote the following from Hansard:

> Mr. Meighen: The information I have is that there was an elevator there that had a little grain in it some years, and for some years none. I fancy it was burned down. Anyway it is not there now. I had a return on this the other day—

Mr. MEIGHEN: Read on.

Mr. FINN: (Reading):

> —I believe it was partly built by the railway and partly by the city. At any rate there were joint contributions. Can the hon. member tell us just what special event the government has in mind that caused it to deem it the part of wisdom to build a large elevator there?

Perhaps my right hon friend was dreaming when he said that.

Mr. MEIGHEN: There has been a misunderstanding of what I referred to. I knew the present elevator was not burned down because I had seen it. I did know, however, that there was little grain going through it.

Mr. FINN: Did the right hon. gentleman make those remarks to mislead the public or hon. members?

Mr. MEIGHEN: "The right hon. gentleman" did not mislead nor intend to mislead the public in any way. Has there not been a fire in an elevator there?

Mr. FINN: No, except to keep it warm.

Mr. MEIGHEN: Well, elevators do not need to be kept warm usually.

Mr. FINN: The employees need to be.

Mr. MEIGHEN: But the employees do not live in the elevator. I notice the hon. member fights shy of telling us what went through the elevator in 1923.

Mr. FINN: I am not fighting shy; I do not think that any grain went through in 1923.

Mr. SUTHERLAND: Give us the figures.

Mr. FINN: I gave them as I received them from the Department of Trade and Commerce; during the period from 1921 to 1924 the amount was over 2,200,000 bushels.

Mr. MEIGHEN: For the year 1923 the minister gave us 300 bushels.

Mr. FINN: That may be; if the minister says so it must be right.

Mr. MEIGHEN: I had no intention of taking issue with the hon. gentleman; I simply wanted to find out how much grain had gone through the elevator while the government had it. Even if I did not believe in having grain go through Halifax I would not be as much concerned over this vote as hon. gentlemen to my left. But my own apprehension is that there is about $200,000 more in it than will be spent—unless there should happen to be another by-election, in which event there might be a little stir. This vote has really an interesting history, and I wonder what comforting assurance the senior member for Halifax obtains when the minister advises him now on June 19, 1924, that the matter is going to be "taken into consideration."

Mr. FINN: If my right hon. friend wants to know, I may tell him, to be candid, that I am disappointed.

Mr. MEIGHEN: I should think so; I was too. I was in better hopes than that myself.

Mr. FINN: I was in hopes too.

Mr. MEIGHEN: Last fall one would have thought that there was only the shingling still under consideration; the whole structure was right in the mind's eye of the Minister of National Defence (Mr. Macdonald, Pictou). In fact, that hon. gentleman described

the fine architecture, the modern efficiency of it all, and he regretted that even one, two, three days might elapse before the contract was let.

Mr. BAXTER: Are you sure he made that speech?

Mr. MEIGHEN: Perhaps we should not attribute this to him inasmuch as he has not yet had sufficiently frequent opportunity to deny having made the speech. The Minister of Finance (Mr. Fielding) was there too, but he had to get back to Ottawa. Only for that the contract would have been let at once; but unfortunately the train had to take him back. There was to be a contract let, and the consideration of the whole thing was through; the decision had been arrived at. And how the Minister of National Defence lamented the fact that those few tedious hours had to elapse before it was under way. Here, seven months after, we find $200,000 in the estimates, and the matter is to come under general review when the minister gets down to consider elevators some time next summer. After the by-election had been fought and lost the government discovered that the plans were no good. They discovered, first, that their own by-election plans were no good, and the two plans fell down together. It turned out that the plans had been made some years before. There was though no inkling of their unsuitability when the Prime Minister (Mr. Mackenzie King) was there. The government did not discover it when the Minister of Finance was there. And all through the herculean efforts of the Minister of Defence (Mr. Macdonald), they never dreamt such a thing as that these were old plans. But the fact dawned on them suddenly just as the last return came in from Halifax; they found that those plans would not really do for an elevator suitable to the occasion, and there would have to be new plans drawn. I would be interested, as I know the House would be, and I think the hon. member from Qu'Appelle (Mr. Millar) would be much relieved, if we could be told just how far advanced those plans are. Would we not like to have a picture of them here this afternoon—the result of the sweat and toil of the draughtsman since December 6, 1923! The minister has worked out how he is going to select the site: He is going to consult the Board of Trade and the city council and the railways —he forgot the Liberal Association,—but anyway he is going to consult all those authorities, and he is sure that if he does no fault will be found. It will not bring much comfort to the member for Halifax to be told that there is a site with no elevator on it, nor will the port be much helped.

[Mr. Meighen.]

Mr. FINN: Does my right hon. friend refer to me?

Mr. MEIGHEN: I did have him in mind.

Mr. FINN: I thought so, that is why I asked.

Mr. MEIGHEN: I was right in my reference. The same might be said as well of the member for Halifax in my rear; I do not think he takes very great consolation out of the fact that the minister has so far advanced that he now knows what plan he is going to adopt and will next decide where the site is to be after the other consideration is well advanced. How slow these things proceed! May I ask, has the minister in mind the possibility of a by-election this year; is that the foundation of this vote?

Mr. LOW: During the last twenty or twenty-five years I have engaged in approximately fifteen or twenty by-elections, and I have consistently refused to enter into such discussions on these events as so often occur in this House. I have always been able to go through the heat and feeling of by-elections and yet preserve a most friendly relationship with all my opponents. After the fight was over I was always able to greet my contestants with a sincere handshake. Now my right hon. friend refers to by-election promises. I would be the last one to introduce the subject, but let me remind him, when he asks this committee if this vote is founded on a by-election, of a very interesting event which took place in Kingston in 1919. A party of Conservatives met in the city of Kingston to discuss the pending by-election, and it will be remembered that the local candidate subsequently withdrew in favour of the ex-Minister of Finance, who was duly elected. The editor of the Kingston Standard, a Conservative journal, and one of the gentlemen who attended that meeting, and who was in the confidence of the Conservative party, printed the following in the next issue of his paper:

> Mr. J. M. Hughes has withdrawn from the race as a candidate for parliamentary honours in this city and as a consequence it is generally believed that Sir Henry Drayton, Minister of Finance, will be elected by acclamation.
>
> Mr. Hughes' withdrawal followed a conference in the Daily Standard office last evening attended by W. R. Givens, A. B. Cunningham, H. C. Nickle and Mr. Hughes himself. The situation was frankly and fully discussed, and at the conclusion of the conference Mr. Hughes announced his withdrawal from the contest. The best good will was displayed at the meeting and the whole discussion was along entirely friendly lines.
>
> This morning Mr. Hughes drafted a letter explaining precisely the reasons that led to his withdrawal. The letter is as follows:

To the Editor of the Standard,

Sir,—I wish to announce that I have retired from the contest for the seat in the House of Commons. My reason for doing so is that it is reported that the Hon. J. D. Reid made the statement to a number of representative citizens that if Sir Henry Drayton was given the seat Kingston would be well looked after and that the harbour improvements would be assumed. Being a loyal and true Kingstonian and as I have always worked for the interest of the city I felt that I could not take the responsibility of going on with the contest and in any way interfering with the material progress of the city. I sincerely hope that Sir Henry Drayton will see to it that work will be started in a very short time and Kingston will become the eastern terminal of the Great Lakes.

I thank the many citizens who assured me of their support and ask them to put their shoulders to the wheel and work for a bigger, better and more prosperous Kingston.

J. M. HUGHES.

I wonder if my right hon. friend has hanging in his office a picture of the great harbour works that were to be built following his colleague's election in 1919; I wonder if it took two years to prepare the plans; I wonder if he has even gone as far as I have in an endeavour to have plans prepared; I wonder if he had the approximate cost placed in the Estimates—or as soon as the by-election was over were the promises of the party forgotten? It was well known in Kingston that that was the bid of the Conservative government for the seat; as I said before, it is with reluctance that I refer to these things,—

Mr. MEIGHEN: That will not hurt.

Mr. LOW: —but when we hear so much about the purchase of the Hotel Scribe I wonder if my right hon. friend ever thinks of the purchase of the Daly building in Ottawa on the verge of a general election in 1921? As I said before I am sorry to refer to these things—

Mr. MEIGHEN: Don't worry.

Mr. LOW: —but these are facts, and I have referred to them because my right hon. friend has brought up the subject of election promises. I can assure him that it is my intention to look into the merits of Halifax as a point for an elevator—and also certain other places,—and I will not disappoint either the junior or the senior member from that city.

Mr. MEIGHEN: I want first to assure the minister that the pangs of conscience the delicate sensitiveness which he spoke so frequently of were quite unnecessary. He might have freely and heartily and enthusiastically made those references and gone into all of them with the utmost detail and without doing the slightest injury to us. What did the minister think he had? Evidently he had somebody search the records for years back to see if he could bring home to the Conservative party some pre-election promises. And behold! after the mountain laboured can hon. members now discover the mouse? There was a meeting in the Kingston Standard office when Sir Henry Drayton was a prospective candidate in the local by-election. Next day a gentleman by the name of Mr. Hughes wrote a letter to the Kingston Standard stating that he was withdrawing because "it was reported" that the Hon. J. D. Reid had said that if Sir Henry Drayton was elected the harbour improvements would be looked after.

Mr. LOW: Does my right hon. friend repudiate the statement of the men from Kingston?

Mr. MEIGHEN: What men? There is only the statement of one man, and the one man says, "It is reported," and he does not say who reported it.

Mr. LOW: A man who was likely to be a candidate.

Mr. MEIGHEN: He does not say even who reported it—wonderful evidence! The minister knows that the Hon. J. D. Reid, only a few days afterwards, the first time it was brought to his attention, distinctly denied in this House that he had ever made such a statement to anybody. Against this fictitious case the minister is faced with the promise of his own colleague, the Minister of Defence, brought right home to him in this House over a year ago, never to this moment denied—and he dare not deny it; quoted in the newspapers as well as quoted here; the whole thing pledged indeed explicitly by advertisement in the Liberal press. Well, against that he puts the statement of a gentleman in Kingston that "it is reported",—by whom nobody ever heard—and he conceives that he has made a case. Then he mentions that delectable memory, the Scribe hotel. What was in the minister's mind in vamping that spectacle before the committee? If he wants to refer to the Scribe hotel let him at least do that honour to the president of the Canadian National Railways which he so begged for in his letter—let him call it the "Palais Canadien". Let the name Scribe hotel pass into bitter oblivion; let this whole nightmare be dignified from now on with its proper title. Surely the minister should extend to it that consideration if no more. What in the world his object was in stringing the bedraggled feathers of the Scribe hotel into this discussion I do not know. As for the other reference his purpose was equally obscure, or equally blind, I do not know which. What he had

in his mind we may find later in the evening or we may not. But anything the late government did the minister is at liberty to investigate to the bottom any time he wishes, but when he has investigations on his mind perhaps the "Palais Canadien" would be the first subject for attention; these things seem to be mixed promiscuously in his mind. The rest of us are on the Halifax elevator just now. I am struggling to find out how far the plans have advanced, and the minister is struggling hard to avoid answering.

Mr. LOW: I will answer now. The plans are in the hands of the engineers.

Mr. MEIGHEN: They are completed, then?

Mr. LOW: No, to be remodelled.

Mr. MEIGHEN: Oh, old plans. Well, that is not very much progress. According to the statement last session they were completed many years ago, so the plans have not advanced much.

Mr. LOW: It is more progress than my right hon. friend made in two years.

Mr. MEIGHEN: Well, we did not make the pledges. After seven months the old plans have now got as far as the engineers. Hon. gentlemen who feel that this is a waste of money have not any great reasons for apprehension. If it takes another seven months for the engineers to locate the plans in their pigeonhole there will be as much progress as the minister likely expects.

Mr. FINN: Before this item carries I wish to say a word or two, and perhaps in some respects I am a little disconcerted by some statements made to-night by the hon. Minister of Trade and Commerce. As I said to the right hon. the leader of the opposition, I am somewhat disappointed with those statements. They do not at all meet with my approval, and they are not what I understood from the government of which I am a supporter, from the Prime Minister, from the representative of Nova Scotia in the cabinet, the Minister of National Defence, and from all my conversations with and the assurances given me by the hon. Minister of Trade and Commerce. For my part I put the interest of the Maritime provinces ahead of party, and so long as I occupy a position of public trust in this House it will be my sacred duty to stand for what I conceive to be right and to criticise the government or any minister or any department when I believe it my duty so to do.

[Mr. Meighen.]

Last session when this matter was under consideration, the item in question being an amount of $200,000 in the main estimates, we did not receive very much comfort from some hon. gentlemen opposite, particularly from the hon. the ex-Minister of Finance (Sir Henry Drayton), who said it was useless to try to put grain through the port of Halifax. Indeed, he went further than that and said that the grain would be carried by the cheapest route. In that he was partly correct, because there was then a differential of one cent as against Halifax which does not now prevail. To-day Halifax is on a parity with St. John, Portland, New York, Philadelphia and Baltimore. So that any objection based on the cost of carrying grain to Halifax is done away with by the removal of this differential, a result which was brought about through representations made by this government to Sir Henry Thornton and the Board of Management of the Canadian National Railways.

The statement was also made that no grain, or practically none, was put through the elevator at Halifax. The ex-Minister of Finance said that no grain had been put through that elevator except during the war. I have before me the figures as furnished by the Department of Trade and Commerce. I find that in 1915 there were 588,657 bushels handled at that elevator; from 1916 to 1920, 5,168,818 bushels; from 1921 to 1924, 2,861,612 —in all, from 1915 to 1924, 8,612,087 bushels, or in round figures, 9,000,000 bushels, an average of a million bushels a year.

Mr. KELLNER: Has the hon. member the figures before him of the number of bushels for the crop year of 1921-22?

Mr. FINN: No, I have not the figures for that period. I have the totals from 1915 to 1920, which was practically the war period, because the war conditions continued a year or two after the conclusion of the war. Then I have the period from 1921-1924, and these I think, offer a fair basis for comparison between what is known as the war period and the period of reconstruction which started in about 1921.

I was rather surprised at the statements of some hon. members here to-night, particularly the remarks of the hon. member for Qu'Appelle (Mr. Millar) and of the hon. member for Saskatoon (Mr. Evans). They do not seem to coincide with the assurances given as late as last evening by hon. gentlemen on the other side that it was their desire that grain and other western products should be carried through Canadian ports. I apolo-

gized to an hon. gentleman last night because he misunderstood my meaning in reference to the viewpoint of an hon. member in the Progressive group, but I find now that there are some gentlemen in that group who, notwithstanding the fact that presumably we all desire to be one hundred per cent Canadian, still feel it necessary to force Canadian traffic through Portland simply because it is a shorter haul, and even though the rates for the respective routes are the same. They come back with the answer that you should not take it to Canadian ports because it is going to cost a little more to take it there.

I remember at the last session of this House I had the honour of hearing a statement by the right hon. leader of the opposition, and I commend him for his broadness of view in reference to a national question in the position of responsibility he occupied. It was when the question of deficits in connection with the Intercolonial railway was being discussed. He made the statement, which I think was fair, honourable, and proper from a national standpoint, that the government should address itself to the problem of the Maritime provinces and absorb if necessary as part of the national debt any reasonable deficit that might occur in the operation of the Intercolonial in order that we in the Maritime provinces might grow and develop. That is the spirit in which to approach this great question. Where would the great provinces of Saskatchewan, Alberta and Manitoba be to-day in winter time if they had not a maritime frontage. Could Canada have become a nation, could Canada have boasted of open ports on the Atlantic the year round without that maritime frontage? No, she could not. If Nova Scotia and New Brunswick had remained out of confederation you would have been isolated in the West, and in Ontario and Quebec in so far as great national ports on the Atlantic are concerned. Were not these ports worth something to the great and growing prairie provinces? Do hon. gentlemen sit in this House simply for the purpose of selfish ambition, to develop alone these great prairie provinces? And then, as a result of confederation, as a result of the efforts of the pioneers who hewed the way to our national greatness, the leaders of the Conservative and Liberal parties, men who were born and brought up in this country, who did not come to a land of adoption, for this land was theirs by heritage, and in that heritage we in the little province of Nova Scotia have the right to participate.

Mr. KELLNER: I think the hon. member is liable to get on the wrong track again. There are lots of native-born Canadians in the West; it is not their land of adoption.

Mr. FINN: No person's conscience need be hurt who was not born in this country, or the conscience of any body who was born in Canada. The great western provinces were carved out in this confederation and we invited to this country from the British Isles and from all parts of Europe the very best of citizenship and offered them the best this land could afford, independence and the right which they enjoy to-day of sitting in this House as the worthy representatives of these new and ever growing provinces. But when you look back and think that the little province of Nova Scotia gave to this great Canada of ours three prime ministers in the persons of Sir Charles Tupper, Sir John Thompson, and the Right Hon. Sir Robert Laird Borden, to say nothing of the Right Hon. Mr. Fielding, who for eighteen years has guided the financial destinies of this country, surely after we have participated in that way in the building up of this great nation we should not be asked to continue to be hewers of wood and drawers of water. I say in all sincerity that when I hear some hon. gentlemen of the Progressive group giving utterance to-night to statements that are selfish to a degree, it makes me sick at heart indeed to feel that any such sentiments can burn within the heart of any of our Canadian people from these western provinces.

With reference to the carriage of grain and other products from our Canadian west, as the Minister of Railways has stated to-night, shipping at the port of Halifax this last season has increased over one hundred per cent. Over one million more tonnage came into the port of Halifax during the past five months, that is, before the St. Lawrence opened, than came in during the previous year, 1923. The ships that come to the port of Halifax land their passengers and freight there. and then go on to New York and Portland. Do not hon. gentlemen know that it is a day's sail from Halifax to Portland, and a day's sail back from Portland to Halifax? These are big ships, expensively operated, and under great demurrage charges, and by using the port of Halifax as their terminus those two days could be saved, which would mean two more trips a year for each of these large ships. I am assured by steamship representatives that if an elevator was built at the port

of Halifax where the ships could get the basic cargo of grain, they would not go to Portland, but would make Halifax their terminus and load and unload their freight and passengers there, inward and outward; but if we have not the facilities at the port to enable them to do that, it is impossible for Halifax to grow and develop and become the great port that we of the Maritime provinces expect it to be.

My hon. friend the ex-Minister of Finance made a statement last session when this vote of $200,000 was under discussion, that the difference in mileage between Halifax and St. John was 267 miles. I have the figures before me to-night, obtained from the Railway department. and I find that the difference in mileage is only 113 miles. I also find that the difference in mileage between St. John and Winnipeg and Portland and Winnipeg is 184 miles, yet the Canadian Pacific carry grain from Winnipeg to their own ships at St. John, 184 miles further than to Portland. The difference between St. John and Halifax is only 113 miles, so that with the freight rate the same to the port of Halifax, and facilities for handling the grain, these ships could obtain grain at that port and carry it across the ocean. There is no sound reason why we should not obtain our share of that traffic, and why the city of St. John should not participate in this Maritime development, thus helping to keep our people within our province and making us feel that we have a future. These are some of my reasons for supporting this vote of $200,000 to-night. My hon. friend (Mr. Black) made some statements in reference to the by-election in the city of Halifax. I desire to say to my hon. friend that when the vote of $200,000—

Mr. WOODSWORTH: I rise to a point of order. Has the by-election down in Halifax anything to do with the item under consideration?

Mr. MEIGHEN: A very great deal. It has one hundred per cent to do with it.

Mr. FINN: I may say to my hon. friend who has just raised the point of order that he was probably not in the House when this question was raised a little while ago by no less a person than the right hon. the leader of the opposition, and surely if I follow his experienced lead, I cannot be far wrong in discussing the same matter. The junior member for Halifax (Mr. Black) said the vote for the Halifax elevator was practically designed to get the votes of the electors in the by-election. As I have already said, when that vote was placed in the estimates there was no by-election in Halifax. I came to Ottawa as the representative of the people feeling in duty bound to submit sound reasons to the government for the placing of a vote in the estimates for the building of this elevator. That viewpoint was concurred in by the Canadian National Railway officials headed by Sir Henry Thornton, and as a result of several interviews my late colleague—now Mr. Justice Maclean—and I had with Sir Henry Thornton, he recommended that an elevator with a capacity of a million bushels be built. The recommendation was adopted, a vote was placed in the estimates and tenders were called for. Several tenders were received and the offer of the Atlas Construction Company of Montreal was the lowest. However, it was found that the elevator would cost more than was estimated. On looking into the matter it was ascertained that the specifications required the building of steel conductors of a very expensive type to two piers not yet built, and that expensive machinery beyond the needs of the port of Halifax was included. By the elimination of these features an elevator with a capacity of a million bushels, and machinery that would meet the requirements of the port of Halifax in every respect, could be constructed at a much lower figure.

In January last I discussed the matter with the Minister of Trade and Commerce. I asked him if it was not possible to eliminate these features that were set out in the specifications and permit the lowest tenderer to take the contract cutting out these extra costs. The minister said to me "Mr. Finn, if it was my private business I would do that, but as a minister of the Crown I feel it my duty to call for new tenders and allow every tenderer an opportunity to bid again. That is cleaner business and would not and could not arouse suspicion." I agreed with the minister and he then told me that the Railway department would be asked to revise the plans. I asked only two things of the Minister of Trade and Commerce. One was that the capacity of the elevator should not be reduced. The other was that a provision should be inserted in the contract calling for the completion of the elevator by the close of navigation in the month of November or December next. I had the assurance of the minister that these two requests, which were fair and reasonable, would be accepted; and I was surprised to-night to hear him state that he was going to investigate the matter further and communicate with the city council and the board of trade at Halifax as to the location of the elevator.

Some years ago, when my right hon. friend opposite was a member of the Borden administration, plans and specifications for new

ocean terminals at the port of Halifax were prepared. That government disregarded absolutely the warnings of technical men and experienced marine authorities as to the location of those terminals. Notwithstanding that advice, technical and general as it was, the sum of $18,000,000 was expended at the port of Halifax on these so-called terminals. The property taken for this purpose ran from one side of the city to the other. In the south end, our best residential district, the government bought at high figures property extending from South street down to Green Bank. The property taken included Mr. S. M. Brookfield's residence for which they paid him $76,000. The late government cleaned up too the residential section along that water front. Did they buy from the owners of these properties? No, sir, they did not. The word went forth to the Conservative party, and one of the leaders, one of the organizers, one of the men who were closely identified in business with a member of that administration, went round and took options on these properties, and they were sold to the government at advanced prices. When the hearing relative to this property was on in the Supreme Court a gentleman was asked under oath who the man was who had these options and he gave his name. It was that of a leading Conservative and an active organizer in the province of Nova Scotia.

These are the handicaps under which Halifax labours to-day. We have south end terminals and when a southeast wind blows ships are not able to lie alongside those berths but a tug has to pull them out into the stream. An artificial breakwater, which cost thousands of dollars, was placed there when natural breakwaters exist namely, MacNab's and George's islands. Furthermore, there is an inner harbour where pier number 2—which cost only a million—was built by the Right Hon. Mr. Fielding when he was Acting Minister of Railways to which all the great ships like the Aquitania, the Olympic, the Bergenland, the Lapland, and other big vessels of from twenty-five thousand to thirty thousand tons could tie up. That is the heritage the party now led by my right hon. friend opposite left to the Liberal government. That is the state in which they left the port of Halifax with their expenditure of $18,000,000. In the plans and specifications for this development provision was made for an elevator. That site is government property. I was surprised to hear the hon. member for St. John City (Mr. Baxter) say that he heard there were three sites available to the government on which to erect this elevator. My hon. friend's statement is absolutely without foundation. There are no sites in Halifax available for an elevator except two. One is a property in the north end and owned by the Railway department; the other is a site at the south end terminal also owned by the Railway department. My hon. friend (Mr. Baxter) sought to convey the impression that interests were at work to effect a purchase that would result in private gain. There is no such site open for the elevator and no such condition existed at the port of Halifax in reference to the same.

10 p.m.

Mr. MEIGHEN: The hon. member referred to certain purchases and Supreme court proceedings. How did they come to be in the Supreme court?

Mr. FINN: They came into the Supreme court in connection with a suit that was brought regarding an option which had been obtained and which was not carried out. A writ was issued for specific performance in connection with the same.

Mr. MEIGHEN: From the Exchequer court to the Supreme court?

Mr. FINN: Yes. I shall be very much disappointed if the plans and specifications for this elevator are not available at once. I understood from Mr. C. B. Brown, chief engineer of the Canadian National Railways and from the Minister of Trade and Commerce (Mr. Low), that the report of the Railway department, through its engineers, was placed in his hands last January, I am going to ask the minister to state what has happened between last January and now, the 19th June, that, on the revised report of Mr. C. B. Brown to himself the assurances given me have not been carried out, and new plans and specifications made and tenders called for. I do not intend for one moment to submit to procrastination on the part of the Minister of Trade and Commerce in reference to the construction of this elevator at the port of Halifax. As the representative in this House for the city and county of Halifax, I demand that these plans and specifications be obtained at once from the Railway department, that tenders be called and an elevator be built at the port of Halifax with a capacity of 1,000,000 bushels as recommended by Sir Henry Thornton, Mr. C. B. Brown, the railway engineers and the consulting engineers, the Metcalfes, of Montreal. There is no need to consult the Board of Trade or the City Council of Halifax. As the representa-

tive for that constituency in this parliament, I will take the responsibility of saying that there is the site which has been accepted; there is also the fact that a million bushel elevator is to be built and at once. If these promises and assurances given me are not to be carried out, then I owe it first to my constituents, to myself as a public man and to the party of which I am a member, that unless these pledges are implemented by action, to say to the government—of which I am a supporter—that they will have to have some other person represent the constituency of Halifax in this House, because I will tender my resignation to the Prime Minister and go back to political dreams in my own good old city of Halifax.

Mr. MEIGHEN: It may just be possible that the government was fearing something of what the hon. member mentions and this accounts for the estimate being inserted. I want to make two or three remarks as to the words of the hon. gentleman, not, in the main, nor in a critical frame of mind. He quoted some words of mine, spoken in this House last session, and I must say for the moment I could not understand this quotation. I want to make clear to the committee now what the reference was. I knew that the present elevator was standing.

Mr. FINN: I gathered my impression only from what my right hon. friend said. If he meant something different from what he said, I will agree with him.

Mr. MEIGHEN: I meant exactly what I said. I knew the present elevator was standing and I could not refer to it in stating that I believed the elevator was burned down.

Mr. FINN: What elevator was burned down?

Mr. MEIGHEN: The one before it. The hon. gentleman will see from my remarks that I had received a return regarding the matter, and looking through the return I had found that an elevator had been burned down. That is the one to which I referred.

Mr. FINN: The right hon. member left the House under the impression that there was no elevator.

Mr. MEIGHEN: No. The hon. member knows the record of the elevator as I will show him in a minute. This is what I said last year:

> The information I have is that there was an elevator there that had a little grain in it some years, and for some years none. I fancy it was burned down. Any way, it is not there now. I had a return on this the other day. I think it was used substantially just once. I believe it was partly built by the railway and partly by the city.

That would identify it to the hon. member as the elevator that was burned down. I am informed now directly by those who know, that it was built partly by the railway and partly, to the extent of, I understand, $50,000, by the city. The elevator in existence at present was not contributed to by the city at all.

Mr. FINN: It must have been long before my oculars were working and they were working a long time ago when I was very young.

Mr. MEIGHEN: I do not know about my hon. friend's oculars, but I know from hon. members of greater years and possibly as much knowledge that the elevator I referred to had existed there first.

Mr. FINN: Perhaps the hon. junior member for Halifax (Mr. Black), who is much older than I am, can recall and give the information to the committee.

Mr. MEIGHEN: He just gave it to me.

Mr. BLACK (Halifax): I think what the right hon. member says is absolutely correct. There was an elevator there which was burned down.

Mr. FINN: Before the present one was built?

Mr. BLACK (Halifax): Yes.

Mr. FINN: When?

Mr. BLACK (Halifax): At least twenty years ago.

Mr. FINN: Will the hon. gentleman undertake to tell me when that elevator was built and when it was burned down? The other day he said that he remembered playing with the Right Hon. Mr. Fielding when they were boys. Surely, if he can remember that, he can remember when the elevator was burned down.

Mr. BLACK (Halifax): That elevator was not burned down. It is standing there still.

Mr. FINN: Which elevator is it that my hon. friend refers to that was burned down?

Mr. BLACK (Halifax): The first elevator that was built in the city of Halifax and to which the city of Halifax contributed was burned down.

Mr. FINN: When was it built?

Mr. BLACK (Halifax): I have not the information at hand. I can get it for my hon. friend if it is of great importance to him.

Mr. FINN: I should like to get it.

Mr. MEIGHEN: I mentioned that just to show that I was not referring to the present elevator.

Mr. FINN: I must say to my right hon. friend that I did not believe he was trying to mislead the House. I thought he was mistaken in his facts at the time. That was all.

Mr. MEIGHEN: I evidently had before me some return. I want to make a little reference to what the hon. gentleman dragged in connected with the Halifax terminals.

Mr. FINN: The right hon. gentleman dragged in a by-election.

Mr. MEIGHEN: I am not complaining at all of this dragging in. Indeed, I rarely complain of anything. I do not profess great familiarity with the question. I was not a member of the government when the policy was decided upon. I mention that, though, only to explain that I am not as familiar with the matter as I otherwise would be. The part I want to refer to is the cost. The cost was great. My memory is fairly good at times, and a return which was brought down last session showed an outlay of approximately $16,000,000. The hon. member's figures were substantially over that.

Mr. FINN: I said $18,000,000.

Mr. MEIGHEN: The return I asked for showed $16,000,000.

Mr. FINN: I said $18,000,000.

Mr. MEIGHEN: The Prime Minister had said $30,000,000 previously, so I congratulate the hon. member on being infinitely more accurate at least than his leader.

Mr. FINN: Thank you.

Mr. MEIGHEN: I recognize the irony of the reply because the hon. member must have been impressed in recent years with the utter abnormality of his leader in points of fact.

Mr. FINN: I am getting to be great.

Mr. MEIGHEN: Now, as to reasons for the project. I do not doubt that there would be some engineers who would offer opposition; I have never heard of any project to which some engineers were not opposed while others were in favour of it. The balance of opinion I know was taken and I have received even recently very bitter complaints on the part of eminent railway engineers of the failure to proceed with these works, on the ground that they are a real solution to the Halifax situation. As to which side is right and which is wrong I am sure I can give no opinion; if I did it would be utterly without any value. Suffice to say that whatever the hon. gentleman may have had in his mind there was nothing approaching graft or dishonesty in the matter. I believe that what he said was right, that in some way information as to the project got out, and there were certain properties acquired, or options secured thereon. But the Hon. Frank Cochrane took good care that these things were brought into the Exchequer court. He forced them right through the Exchequer court and that is the very reason the facts referred to came out in that court and in the Supreme court to which appeal was made. It is just because Mr. Cochrane refused to submit to the prices asked for the property, by reason of these acquirements, that the matter went through the Exchequer court and finally to the Supreme court for decision. I have no more comment to make on the hon. member's speech than this: I entirely sympathize with him in his view that this project having been promised should be gone on with; it should be gone on with as a matter of good faith and not merely be held out as a bait to cover a by-election contingency. I was surprised at the figures which were quoted. I did not want to pour ridicule on the project in asking the hon. member for the figures for 1923; I wanted it for that year, as I want it for 1922 and 1921, year by year, in order to see just what has been the history of the port, especially of late.

Mr. MILNE: I rather hesitate to say very much after we have had one of our periodic scoldings from our would-be tutors on the right.

Mr. MEIGHEN: To whom is the hon. hon. gentleman referring? Is he referring to myself? If he is, I want to tell him that I was not scolding him nor anyone else; as a matter of fact I had not observed him.

Mr. MILNE: If the shoe does not fit the hon. gentleman need not put it on.

Mr. MEIGHEN: Be a man and say what you mean.

Mr. MILNE: When this item was brought up I considered it to be in the interests of the development of our Dominion trade; and after the words of my hon. friend (Mr. Baxter), the significance of which I must

confess was hard to grasp, I rather gathered that he wanted the two old parties to get together—I think that was the drift of his remarks. I am afraid if they did Halifax might get two elevators. I heard the suggestion the other day that if the dry docks in St. John were moved to Halifax and a roof put on them they might be used for an elevator. As regards the elevator at Halifax, we have spent a couple of hours in discussing the item. I have jotted down the reasons which have been advanced in support of the proposed undertaking. One of these reasons is apparently political. I will avoid discussing that. Another reason has been dwelt upon at some length; it is that the work should be done from the standpoint of patriotism. Anyone who has ventured to dispute the wisdom of this sacred item for the Maritime provinces has been charged practically with disloyalty; at any rate that has been the insinuation. Now, I yield second place to no one in the fervor of my patriotism and my Canadianism, and I certainly resent any insinuation or innuendo to the effect that hon. gentlemen from the West are not as truly Canadian and as truly patriotic as our Maritime friends. Another reason why the elevator should be built, it has been suggested by one of the hon. gentlemen from Halifax, is that this structure would constitute a fine monument to some of our noted public men who have come from that part of the country. If the hon. member wishes to erect a monument to any of those great statesmen and is prepared to discuss the proposal on its merit I am perfectly willing to come across and assist in any way I can.

Mr. FINN: The hon. member is referring to myself; I never made any such statement as he attributes to me. I did not say that the building of an elevator would provide a monument to public men.

Mr. MILNE: I gathered from the remarks of the hon. gentleman that as Nova Scotia had contributed these great statesmen to the public life of the country that was one of the reasons why the elevator should be built.

Mr. FINN: I did not say that.

Mr. MILNE: If I am mistaken in that regard I must apologise to the hon. gentleman.

Mr. FINN: Well, you are.

Mr. MILNE: Yet another reason was that the elevator would be the means of providing ballast for the ships. Looking over the shipping figures in a book which I happened to be reading to-day in connection with shipping, I came across certain facts. I got the book from the Bureau of Statistics, and I am rather reluctant about giving figures taken from any statistics, because my experience in the last few days has convinced me that one may secure figures to support almost any contention. However, the figures I have would indicate that in connection with Halifax there is about four times the tonnage going out from the port of Halifax as there is coming in. The minister might be good enough to tell us why it is necessary to carry ballast to that port when there is about four times as much tonnage going out as there is coming in. The hon. member for Halifax also made the suggestion that ocean vessels could carry grain from Halifax at a cheaper rate. I admit that and I think the government should make an effort to see that the vessels carrying grain from our ports should give a lower rate to Halifax than to Boston.

Mr. FINN: I want to remind the hon. member that there are two members for Halifax. He is referring constantly to the member for Halifax; which of them does he mean?

Mr. MILNE: I am referring to the senior member for Halifax. He made the statement that about a day is saved in going to Halifax and that it is unfair that the railway companies should be made to carry grain that extra distance at the same rate, while vessel owners take grain a shorter distance and for the same rate. I understand that the insurance is considerably higher to Halifax than to United States ports; and as freight comes up the St. Lawrence river the rate increases. From the point of view of damages involved, I can find no reason why the rate should be so high on the St. Lawrence. If the government in addition to building elevators and encouraging trade could press that point and secure a reduced rate on ocean transportation and a reduction in insurance rates, it would be of considerable advantage.

Mr. LOW: I have already stated to the committee that the matter is being investigated.

Mr. MILNE: I believe that by letting in daylight on the steamboat and insurance rates and making them public property a wholesome effect will be produced which will result in a more equitable equalization. Why do we have to carry ballast to Halifax when nearly four times the tonnage goes out that comes in?

Mr. LOW: A very large portion of the freight shipped from Halifax will not serve as ballast at all.

Mr. GOULD: What is the tariff charge on wheat placed in the elevator at Halifax, and what does the charge cover?

Mr. LOW: In 1921-22 no wheat was shipped through Halifax; in 1922-23, 300 bushels were shipped.

Mr. MEIGHEN: The senior member for Halifax (Mr. Finn) gave 2,000,000 bushels odd as the amount shipped between 1921 and 1924.

Mr. LOW: I have given the figures as contained in the report of the Board of Grain Commissioners. I have nothing here to show the rate per bushel, but I am sure that the cost of handling 300 bushels must have been very high indeed.

Mr. GOULD: What I want to ascertain is the usual per bushel charge at a terminal elevator located, say, at Halifax or St. John.

Mr. FINN: In reply to my right hon. friend, the figures I received from the department of Trade and Commerce are as follows:

	Bushels
1920	1,920,600
1921	199,000
1922	none
1923	300
1924	none

From 1920 to 1924 the total is something over 2,000,000 bushels.

Mr. MEIGHEN: I am glad to see that all but a very infinitesimal part was handled under the late government.

Mr. FINN: No grain has been shipped in these last years owing to the fact that the new terminals at the south end practically cut off the old terminal and it was impossible to get in any very big shipments of grain. At present there is practically only one track leading into the old terminal.

Mr. MEIGHEN: The change was made long before 1920.

Mr. FINN: With the building of the new terminals the piers from which grain was shipped were partly abandoned, and I am advised that they are not now in a condition to have big shipments tie up to them.

Mr. MEIGHEN: They must have gone into disrepair since 1920.

Mr. FINN: I would think so.

Mr. MEIGHEN: They should have been kept in repair.

Mr. FINN: We could not get the necessary money from the railway.

Mr. MEIGHEN: Nor from the government?

Mr. FINN: The government had not direct control. Action was taken on the advice of Mr. Hanna, and as the general manager of the division was at that time located in Toronto, we hardly got anything in Halifax.

Mr. MEIGHEN: I think that is probably the explanation.

Mr. LOW: In answer to my hon. friend from Assiniboia (Mr. Gould) may I say that last night when the elevators were under discussion I had the report of the Canadian Grain Board at hand, but to-night, not thinking the rates would be under discussion, I did not bring it with me. If the hon. member will secure a copy of that report he will find particulars of the various charges.

Mr. GOULD: I have the information here. I find that at the port of Halifax just exactly twice the tariff is charged as is in force at the head of the lakes. The computation given at the head of the lakes as a fair, cost figure to be used on handling is $50,000 per million bushel capacity, which would work out at one-half cent a bushel. I wondered if that included explosive insurance and ten days' free storage as at all the Atlantic ports. I know explosive insurance is a specific charge against grain at tidewater.

Mr. LOW: It is one of the items to which I referred last night as not being included in the charges against the elevators. I am sorry that I have not the report with me to-night.

Mr. BLACK (Halifax): It has been reported in the press that the cost of the ocean terminals at Halifax was as high as $40,000,000, while another statement placed it at $30,000,000. I took occasion to write the Department of Railways for information on the point, and the deputy minister advises me as follows:

> The capital cost of the ocean terminals at Halifax to April 16, 1924, is $17,025,432.09.

Against that there is real estate to the value of about $400,000, earning a fairly good rental; there is perhaps $150,000 of real estate which is unproductive; in addition some 88 acres of land have been reclaimed, the value of which I am not prepared to state definitely, but supposing it to be worth $5,000 an acre—the aggregate value reduces the cost of the terminals to about $16,000,000. I make this statement to correct any false impression which may have been created by the exaggerated reports regarding the cost of these terminals.

My hon. friend (Mr. Finn) seems in doubt whether or not one of the elevators at Halifax was burned down. I will satisfy him on that point if he wishes me to do so.

Mr. FINN: I am not in doubt about its having been burned down; I only want to know when.

Mr. BLACK (Halifax): Well, I will tell you.

Mr. FINN: I have patience.

Mr. BLACK (Halifax): The fact is that nothwithstanding all the promises which have been made to us on the eve of elections in Halifax with regard to elevators and shipments of grain, the people were too sensible to take them seriously. They knew that the promises of hon. gentlemen opposite had a habit of falling down. The expenditure of a few thousand dollars would have resulted in putting that elevator in such order that it would handle a certain amount of grain which would have been gladly accepted by steamship companies operating out of Halifax. They could have handled quite a large quantity of grain at very little cost. The boats of the merchant marine, instead of lying idle, could have been employed in carrying this grain to the markets of Europe. But what was done? Absolutely nothing; the elevator was allowed to lie idle. No desire was shown, no attempt was made, to create traffic through the port of Halifax. We have here to-day an appropriation for a paltry $200,000 towards an elevator and the statement from the minister that the plans are still under consideration, seven months after tenders were called on plans that had only to be revised. But even if the plans had been new, surely seven months was sufficient to enable the government to have the work of construction proceeded with. Had that been done, had the government been in earnest, we would have had a grain trade through the port of Halifax for the coming winter and arrangements could have been made with steamship companies to carry it in conjunction with the light traffic which is obtained there in the shipment of apples and other products. Had that been done we would be in a position next winter to make a beginning in the opening up of that trade, with, I am sure, wonderful prospects for the future.

Mr. LOW: I shall be very glad to take into consideration the suggestion of my hon. friend that the present elevator might serve the purpose by being repaired.

[Mr. W. A. Black.]

Mr. HANSON: He did not make that suggestion.

Mr. BLACK (Halifax): No.

Mr. GOULD: I cannot discern what are the real reasons offered by the members for Halifax in connection with this elevator. I am not sure that they are patriotic reasons, neither am I sure that they are business reasons. I do not think that enough grain will ever go down that way to make a very large elevator at Halifax a satisfactory business proposition. The president of the Canadian National Railways may well be trusted to see that such amount of wheat is shipped through the port of Halifax as may be considered desirable or necessary. One has only to read the reports of former governments to find out what the relative values of the different ports have been in the past in this respect. The Halifax elevator has had a storage capacity of 500,000 bushels and the St. John elevator, 2,500,000 bushels. At Montreal the elevator has a capacity of 9,000,000 bushels. I asked a question a moment ago about the tariff charges, and I find that they are the same at all these places. We are asked merely to provide traffic for the railroad down to Halifax, not, in my humble opinion, for business reasons. It is quite possible that the excess might go to Halifax if there is congestion at other ports; if St. John was overloaded with grain Halifax might take care of some of it. In that respect I do not object to seeing grain go down that way, but it will need some argument to convince me that the construction of a large elevator at Halifax would be a business proposition, or that it would be beneficial to the railways, to shipping, or to the individual persons who produce the grain. In every instance, according to the information I have received, the cost of these elevators is a charge against the grain; the grain pays it. That is admitted by the official sources from which I got my information. I am not going to oppose the item, but if it were proposed to construct an elevator of huge capacity at Halifax the House would be justified in raising strong objection.

Mr. BLACK (Halifax): I would like to make myself clearly understood in regard to this elevator. I did not say that the old elevator was sufficient for the requirements of the port, or that it would handle the grain that should be handled there; it is old fashioned and out of date. What I wanted to suggest was that if the government were in earnest with regard to the establishing of a

grain trade through the port of Halifax a beginning could be made with what we have there until improved facilities could be obtained. I did not suggest that the present building be put in such condition that it would take the place of a new one; its capacity is not large enough and the cost of modernizing it would not, in my opinion, be justified. It might, however, be used as a temporary means of handling grain.

Mr. EVANS: Not one economic reason has yet been forthcoming from the minister or from anybody else as to the need for this elevator. It looks to me like a waste of public money. The cost of every elevator is a charge against the grain. The price is made in Liverpool, and whatever it costs to get it there from the grain fields is a charge against the farmer. We already have an elevator at Halifax of sufficient capacity to handle all the grain that will go through there. The Minister of Railways says we need wheat for ballast, but the hon. member for Neepawa (Mr. Milne) successfully contradicted that statement. There is more freight leaving Halifax seaward than goes in there.

Mr. LOW: My answer to the question of the hon. member for Neepawa was that a large proportion of the freight carried from Halifax to England and other countries was not of a nature that would be suitable for ballast purposes.

Mr. EVANS: We have also an elevator at Quebec which is never used to its full capacity. We have several inland storage elevators, and there has been a debt on these annually—

Mr. LOW: My hon. friend knows the Quebec elevator cannot be used in the winter time.

Mr. EVANS: No, but we have an elevator at Halifax, and it is no longer needed in the winter, as the amount that went through there last year goes to show. Since the port of Vancouver is being developed no grain goes east now in the winter, and the elevator at Halifax is only a waste of money. All these elevators that are not being used to their capacity at the present time, and which could be used for storage, are a charge against the farmers' grain. There is a deficit of from $16,000 to $25,000 each year against every one of these elevators in the prairie provinces. We are building another one now at Edmonton, and I only hope that it may be used to its capacity. The port of Vancouver is our natural outlet in the winter months, and I maintain this Halifax elevator is not needed.

Mr. MILNE: Is the wheat that is carried from Halifax carried at ballast rates, or are the Canadian National Railways expected to absorb that charge, and hand the grain over to the shipping interests to be used by them for ballast and charged the full cargo rate.

Mr. LOW: If my hon. friend knows anything about ocean rates he knows that the shipper in Canada has nothing to do with fixing them. Whether the rate is two or three or ten cents, it is fixed by the vessel owners, and sometimes in order to get ballast the boats will carry grain at a ridiculously low figure.

Mr. MILNE: Regarding the effort that is being made to have rates registered, was this matter put before the chairman of the Imperial Shipping Committee when he visited Canada this spring?

Mr. LOW: If my hon. friend read the newspaper reports he must have seen that the Imperial Shipping Committee visited Canada at the request of the Minister of Trade and Commerce.

Mr. MILNE: That does not exactly answer my question.

Item agreed to.

The Inland Water Freight Rates Act, administration of, $5,000.

Mr. MEIGHEN: Why is $5,000 needed to administer an act that the minister himself, without authority virtually repealed?

Mr. LOW: Last year there was spent in connection with the administration of this act the sum of $3,238,65; for travelling expenses, $1,234.67; professional services, $1,592.71; telegrams and telephone calls, $288.63; sundries, $122.64.

Mr. MEIGHEN: That is very interesting, but it has no relation to my question. I do not doubt there was money spent last year for telegrams, telephone calls, and travelling expenses, but those were all telegrams and telephone calls in order to arrange some method of getting around the act. The minister knows that. That was one of his chief troubles last year. He had an awful time with this act which was bedevilling the whole lake freight situation, and he had the job of his life to find some means of getting around it, and all this telegraphing and telephoning was done trying to work it out. The return is down on the Table, and it is a beautiful return. It tells all about the efforts made to get these people to come in, and how they would not do it because of his act; how Mr. Boyd went down; how the minister was

telegraphed to meet some American shipowners in the corridor of a hotel, and how he postponed and finally got there. All these expenses I know had to be gone to. That was one of the penalties, but a trivial penalty of the act. The main penalty was paid by the shippers in western Canada; the main penalty was paid by the farmers who raised the grain. The question I am asking is why in the world do we need more money to administer the act in the coming year when the minister has managed to get rid of it by an interpretation? Is he really going to spend any more money on that act? If just because it is on the statute book you have to have a vote to administer it, you had better repeal it; it would be cheaper.

Mr. LOW: Does my right hon. friend mean it would be better to repeal the act for the sake of $5,000, an act that serves the purpose of helping the agriculturists of this country—

Mr. MEIGHEN: Where does it help them?

Mr. LOW: My right hon. friend says the rates were higher last year than the year before, and I quoted him figures sufficient, I think, to show that the rate last fall was only a trifle higher than the year before when the act was not in effect. So far as running around the country is concerned, it was worth running around the country for what was accomplished.

Mr. MEIGHEN: Does the minister think it is worth keeping the act in order to get the rate up a little higher, even if he is right in his figures?

Mr. LOW: There were many things which entered into the situation last fall. We had a very large crop, and when there is plenty of cargo offering, vessels are inclined to raise the rates as high as the traffic will stand. The hon. member knows the rates are fixed by the amount of cargo offering. The vessel owners usually fix the rates.

Mr. MEIGHEN: What is the act for, if they fix the rates?

Mr. LOW: The act provides that when the Canada Grain Board consider the rate is too high they step in and fix a rate. Fortunately last fall, notwithstanding the large amount to be carried, the rates were only a trifle higher than the year before when the act that my right hon. friend condemns was not in effect. So far as running about to meet people in Winnipeg or anywhere else is concerned no place is too far for me to go if I think I can accomplish anything for the good of any section of the country—Winnipeg, Vancouver, or Halifax.

[Mr. Meighen.]

Mr. MEIGHEN: I commend the minister's honesty in smiling when he was making that statement. He knows this act is a farce, a howling farce. The minister knows he has expressed his opinion about it in language just about as strong as that. It is not a question of what the rates were all through the year. The rates dropped after the minister got rid of the act, in the early part of October.

Mr. LOW: Let me correct my right hon. friend. We did not get rid of the act, not at all. Again I say, I accepted the interpretation of a lawyer.

Mr. MEIGHEN: What lawyer?

Mr. LOW: The chairman of the Canada Grain Board, a gentleman appointed by my right hon. friend. Surely he has confidence in him.

Mr. MEIGHEN: An interpretation the minister told him to put on it. The thing is a joke. What is the use really of making a farce of things. The minister knows as well as that he is sitting in his seat that no human being thinks the act means the interpretation given by the Canada Grain Board. The chairman no more thinks it, would not say it, never said so to the minister—he no more thinks it than this glass thinks it.

Mr. LOW: Does my right hon. friend think that the chairman appointed by himself would try to mislead the Minister of Trade and Commerce?

Mr. MEIGHEN: No, and never did. He just evaded it.

Mr. LOW: He simply told me that was the interpretation he placed upon the act.

Mr. MEIGHEN: My hon. friend must think he is talking to a child.

Mr. LOW: Oh, no, I do not.

Mr. MEIGHEN: Why was the interpretation not put upon it until on in October? The thing is a joke. The interpretation is merely a means of annulling the act.

Mr. LOW: Up to that time there was no reason for considering the act at all; the rates were all right. It was only when the grain movement started in October, that it was found necessary to look into the Grain Act to put the broadest interpretation on it in order to secure sufficient bottoms. It started moving about the first of October and continued to the end of November. However, this whole matter will be under discussion

when the resolution comes up to amend the Lake Freights Act. It will be moved tomorrow, and then my right hon. friend will have an opportunity of discussing it.

Mr. MEIGHEN: I know, but what I am drawing attention to is this: With the whole heart and blood out of the act the rest of it is just a shell. The shell is being preserved for mere appearance sake and we are paying $5,000 to help preserve that appearance. Does my hon. friend imagine for a moment that the amendment that is coming down is going to bring the act back to the same principle that was embodied in it? It is not. This vote ought to be cut out. I do not think any hon. member wants that act on the principle that was instilled into it and remained in it until this scheme of interpreting the act in order to get rid of it was adopted by the department. It was wholly unauthorized, but I think it helped to save the situation. I think the reduction was due to the annulment, but what a cry of autocracy would have been raised if anybody else had done it. Never in the history of legislation was an act like that perpetrated by a government. But sometimes when the act itself is so monstrous the method of getting rid of it must be equally monstrous.

Mr. KELLNER: I should like to point out that getting rid of the act did not altogether fix up the rates either.

Mr. MEIGHEN: I do not think it did altogether.

Mr. KELLNER: In October the rate was 4.33. Then in November, I think the act was scrapped by that time—

Mr. MEIGHEN: It was scrapped.

Mr. KELLNER: —it was down to 3.87 and in December it had gone back again to 4.72.

Mr. MEIGHEN: I think generally speaking the level after the act was scrapped was almost the same but a little higher than the year before. The year before was one of the highest years we have ever had.

Mr. KELLNER: The rate to Georgian bay ports appears to be a little less in that year. I ask the minister if he is quoting his figures from this book "The Grain Trade of Canada"? I notice his figures hardly compare with those that are in this book.

Mr. LOW: The figures I quoted with reference to what?

Mr. KELLNER: I am asking the minister whether he got his figures from "The Grain Trade of Canada"? The figures he has been quoting are not the same as the figures in this book.

Mr. LOW: What figures is my hon. friend referring to?

Mr. KELLNER: You stated that the figures in 1923 were less than in 1922.

Mr. LOW: The figures I have here are for the seven months in 1923. From Fort William to Port Colborne the rate was 4.09 as against 4.36 to Buffalo for the same period the previous year. It is scarcely fair for my hon. friend to pick out one particular month and compare it with another month; he ought to take the average for the season. However, if my hon. friend will refer to the average rate each month during the shipping season he will find that the rates were slightly lower for the seven months in 1923 than for the seven months of the previous year.

Mr. KELLNER: The figures I quoted were the average figures.

Mr. LOW: What is the average figure for the seven months of 1923?

Mr. KELLNER: To Georgian bay ports?

Mr. LOW: Yes to Georgian bay ports.

Mr. KELLNER: The rate is 4.07.

Mr. LOW: The average rate for the seven months amounted to 3.63 according to my figures.

Mr. KELLNER: The figures I have are for nine months.

Mr. LOW: My figures are only for seven months, I do not think the boats operate for nine months. The figures I have are up to the end of November, 1923. They are the latest figures I have. I repeat that for the seven months the average rate to Port Colborne was 4.09 as against 4.36 to Buffalo.

Mr. KELLNER: This book gives the rate to Buffalo as 4.42.

Mr. LOW: Perhaps my hon. friend is not referring to the same year.

Mr. KELLNER: It is the year 1923.

Mr. LOW: Is my hon. friend referring to the fiscal year or the calendar year? The book he has may be dealing with the calendar year.

Mr. KELLNER: It starts out with the rate for April and gives the rates down to December inclusive. The average rate is given for all these months.

Mr. LOW: At what page are the figures given?

Mr. KELLNER: At page 175.

Mr. LOW: The rate I have here for the eight months of navigation during the year 1923 to Georgian bay ports is 4.07. To Buffalo for the same year the rate was 4.42, so the Buffalo rate is higher by .35. The rate from Fort William to Port Colborne amounted to 4.24 as against a rate of 4.42 to Buffalo. In each case the rate to the Canadian port last year was lower than the rate to the American port. I am reading from the page my hon. friend gave. Am I right?

11 p.m.

Mr. KELLNER: You have quoted correctly but the rates you now give differ from those you gave a little while ago.

Mr. LOW: The only difference is that I was quoting the rate for seven months. In this report the figures are for eight months, that is the only difference.

Mr. KELLNER: I do not know what the difference was but there certainly was a difference. I point out to the minister that during the months the grain is moving the rates are high. In July and August the rates are away down to 2½ to 3 cents but there is little grain moving then. In the fall and spring months when there is quite a volume of grain movement, the rates are largely in excess of the average rate which the minister has been giving.

Mr. LOW: Plenty of cargo is offering in those months.

Item agreed to.

Gold and Silver Marking Act, $6,000.

Mr. MEIGHEN: How much was spent last year?

Mr. LOW: The expenditures has run about the same from 1917-18 to 1923-24. The expenditure in 1917-18 was $3,878.10; in 1922-23, $3,737.34 and in 1923-24, $3,751.38.

Item agreed to.

Honorary Advisory Council of Industrial and Scientific Research, $120,000.

Mr. MEIGHEN: This is apparently, from its history, a merely formal vote, never spent.

[Mr. Low.]

Mr. LOW: The vote is the same, but the amount is spent.

Mr. MEIGHEN: How much was spent last year?

Mr. LOW: The whole amount.

Mr. MEIGHEN: What was done with it?

Mr. LOW: The Research Council carries on very important work. One-third of the amount is for the purpose of administration and the balance is for fellowships, studentships, bursaries and research work.

Mr. WALLACE: Is this vote the only source of income for the council?

Mr. LOW: There is some other revenue, but it does not go to the Research Council, it goes to the treasury.

Mr. WALLACE: My question is: Has the council any other source of revenue besides this vote for carrying on its work?

Mr. LOW: The chairman is at present president of the University of Alberta, but I understand that sooner or later he will devote his entire time to this work. The officers, apart from the clerks and minor officials, do not draw any salaries at all. Their expenses are paid to them.

Mr. WALLACE: This is a large item, and perhaps the committee might have some information as to the chief activities of the council. I am not opposed to the vote. I rather think it is a good thing.

Mr. LOW: The subjects of research are as follows:

To carry on experiments in reforestation in New Brunswick..	$5,000
Investigation on colour vision..	1,100
Investigation on the artificial propagation of the sturgeon..	800
Investigation of the deterioration of concrete in the alkaki soils and ground waters of western Canada..	5,000
To meet expenses of a demonstration to be attempted by James Graham of his methods of drying, carbonizing and briquetting peat.	300
Investigation on the processes in evergreen plants whereby they are rendered capable of growing and forming their organic compounds (starch, sugar, and oils) during the very low temperatures of the winter season.. ..	400
Provide apparatus necessary for a research on the intensities in spectra from various sources when excited under controlled conditions.. ..	500
To continue the investigation on the mode of inheritance of starch and sugar in the endosperm of corn by means of chemical analyses of parental stocks and their hybrids in F_1 and F_2 generations..	250
To continue the investigation on the possibility of economically cultivating a number of essential oil and drug-yielding plants in B.C.. ..	500

To investigate the various processes for carbonizing the coals of New Brunswick and utilizing the by-products thus obtained.. ..	1,500
Investigation of plant extracts containing glukokinin..	3,000
Investigation on the nature of winter hardiness in crop plants, alfalfa, red clover and winter wheat..	2,000
Investigation on the separation from the bitumen of Alberta sands of the chemical substances which it contains..	1,000
Investigation on the variation with frequency of the power loss in dielectrics..	600
Research on Caoutchouc..	2,000
Investigation on the proper diet of the ranch fox..	5,000
Research on the field of low temperatures.. ..	2,500

This is some of the research work that is being carried on by the Research Council at the present time.

Mr. HOEY: Is there an annual report published covering the work of the council?

Mr. LOW: Yes.

Mr. MEIGHEN: Has there been any achievement of major importance by the Research Council to date—I mean any scientific application to industry which has really produced substantial results? That is one question I want to ask the minister. The second question is this: Has the minister or the government anything in contemplation in the way of extension?

Mr. LOW: In connection with the lobster industry there has been a very important discovery. Heretofore in the packing of lobsters it was found that a rust developed in the course of shipments but I understand that a process has been discovered whereby this can be effectually prevented. This is one achievement I have in mind.

Mr. MEIGHEN: That would be important and I am glad of it if the minister's statement is correct. I had not heard of it. Has it been applied in actual commerce?

Mr. LOW: I think so.

Mr. MEIGHEN: The hon. member for Lunenburg (Mr. Duff) was at one time a specialist in lobsters; he has no interest in the business now. Perhaps the hon. member for Queens (Mr. Sinclair) could tell us something about this matter; I did not hear of it when visiting any factories. Is it a recent discovery? It may not yet have got into the channels of commerce.

Mr. SINCLAIR (Queens): Three years ago our lobster canners lost a very large proportion of their pack, the lobsters having turned black in the can after they had been packed a few months. The market that year did not absorb the output as readily as it had done some years previously and the pack had to be held a few months longer. The Research Council went into the matter thoroughly and as a result of their investigations they discovered that by the addition of a very small amount of certain acetic acids to each can of lobster deterioration was altogether prevented and the meat was preserved for a considerable period. So far this method has proved effective and has been applied by several of the large companies who operate lobster factories around the shores of the Maritime provinces. During the past season or two a considerable number of packers have applied it with almost entire satisfaction, and the result of the investigations of the Research Council in that direction has benefited the lobster packing industry to a marked extent. Had this discovery been made three or four years ago it would have saved to those who have large sums invested in canning plants, and who are obliged to lay out a good deal of money before the season begins, several thousands of dollars each year, not to mention the benefit to smaller factories who have also lost a good deal. These smaller factories did not feel quite able to apply the new method as soon as it was discovered; had they done so they would undoubtedly have saved a good deal. This one discovery alone justifies the very existence of the Research Council in my opinion.

Mr. LOW: It has been estimated that in that one industry alone there is a saving of $350,000 annually.

Mr. MEIGHEN: This discovery was made in 1921.

Mr. LOW: I do not remember just when.

Mr. SINCLAIR (Queens): About that time.

Mr. LOW: A new industry is also starting up now as a result of research on sulphite.

Mr. MEIGHEN: That is to say, there has been a discovery in relation to the production of sulphite.

Mr. LOW: I have not the details but a discovery has been made in that direction.

Mr. MEIGHEN: I am glad of these discoveries especially of the one in relation to lobster preservation, which should be of value. The minister has not yet answered the last question I asked him. Has the government in mind any work in the way of extension? I know that in later years of the

old government the strongest pressure was brought to bear to have the institution established on a much more permanent basis, especially in regard to the provision of a building. Has the minister any plans?

Mr. LOW: We have not considered any plans yet. A bill may be presented before the close of the session to permit the Research Council to accept fees in connection with the work they perform for industry. Under the present law they are not allowed to accept directly any fees or make any charges.

Mr. BOYS: Was last year's appropriation all spent?

Mr. LOW: Yes.

Item agreed to.

Inquiry re ocean freight rates, $10,000.

Mr. BANCROFT: I would direct the attention of the minister to the excessive freight rates charged on cattle shipments to the Old Country. The figure still remains at $25 a head to Dundee and $20 to other British ports. Since the lifting of the cattle embargo against Canadian cattle the farmers of this country have been encouraged to increase the production of cattle for this trade. The tendency to increase herds of this type has however received a serious setback by the excessive charges levied in ocean transportation, and unless these cattle can be shipped at something like $10 a head the farmers may as well abandon all idea of participating in any way in this valuable branch of agricultural exportation. This is not a western matter only; it affects nearly every province in Canada. In its general effects the export trade of cattle is of even greater value to the country than the exportation of wheat because the raising of wheat for export purposes can only be carried on successfully in districts that are peculiarly suited to its production. But the raising or finishing of cattle for export can be carried on, on almost every farm in Canada. Therefore this is a very serious problem and deserves the most careful attention of the government.

If it is not possible to bring ocean freight rates down to a reasonable figure, the farmers may as well be informed of the fact so that they will not continue to waste their resources and their energies in an endeavour to produce cattle for export. The crux of the problem is to find out what it costs to transport cattle to the British markets. It has long been asserted that freight can be transported seven miles by water at the same cost as one mile by rail. The correctness of this assertion is shown by the fact that freight can be shipped from Montreal to Vancouver by the Panama all water route, over 7000 miles, and then east to Regina, another 1100 miles by rail, at a lower cost than by rail from Montreal to Regina, a distance of 1780 miles. The conclusion therefore is unavoidable that where there is competition ocean rates are approximately one-seventh railway rates. But in the transportation of cattle from Winnipeg to British ports we find that the charge to Montreal is about one-half of the charge for carrying the same cattle across the ocean. In other words, the ocean rate is twice that of the rail rate, although before the war it was less than one-half. Since 1914 railway rates on cattle have increased 40 per cent, while ocean rates have increased 166 per cent, and this in spite of the well-known fact that a great portion of the world's shipping is now lying idle. If these ocean rates on cattle are justified by the cost of service, the sooner the farmer finds another export market the better; otherwise his only alternative is to abandon his efforts to raise cattle for export. But the suspicion is widespread that these rates cannot be justified and that the business of transporting cattle to Great Britain is in the grip of a relentless combine. It is to be regretted that the Imperial Shipping Committee presided over by Sir Halford Mackinder was not empowered to investigate this situation thoroughly. It is undoubtedly the duty of the government to get at the facts. It has been suggested that in order to determine the cost of transportation, and to maintain our cattle trade with Great Britain, the Canadian government should charter ten or a dozen steamers suited for the purpose, and transport Canadian cattle at pre-war rates. Now, the Canadian farmer is not asking that this trade be maintained at the expense of the taxpayers generally; that would not be fair I am sure. But if the government were to engage in this traffic for a while in the manner suggested, the feasibility or otherwise of maintaining this trade on a profitable basis would be demonstrated.

Mr LOW: In reply to my hon .friend, I may say that Sir Halford Mackinder was advised that we wished the ocean rates on cattle to be investigated. With this in view we communicated with the Board of Trade, the city council, and other prominent men of both Winnipeg and Montreal. At the present time this very important matter, along with others, is receiving the attention of a special representative in England, and I hope during the recess to investigate the matter myself, because I fully realize that nothing will help agriculture more than to ensure to the farmer

a larger return from his cattle than he has been receiving for the last few years. Before the session closes I hope to demonstrate in a practical way that I am trying to do something in this direction and I will then place before parliament the proposals I have in mind in order that hon. members may decide whether they should be adopted.

Mr. SALES: Who is the special representative now in England?

Mr. LOW: Mr. Preston.

Mr. BANCROFT: Is the minister convinced that the export cattle business cannot be carried on at the present transportation rates?

Mr. LOW: I had several meetings in this country with the representatives of the vessel owners and on each occasion they stated that it was utterly impossible to lower the rates, pointing out as one reason that the costs of dock-handling were as high as the peak during the war, and they informed me that the men were making a demand for a further increase in wages.

Mr. SPEAKMAN: We very much appreciate the statement of the minister and look forward with some hope at least to a successful termination of his efforts. In endorsation of the remark by the hon. member for Selkirk (Mr. Bancroft) I would point out the remarkable increase in cost and what it implies. The raising of the British cattle embargo brought a feeling of relief and inspired a good deal of hope in the hearts of the farmers, but I am afraid they have found that that embargo was only removed in order that a freight embargo might be substituted. The increase in transportation costs has been almost incomprehensible to us. Before the war cattle were carried from Montreal to English ports at an average ocean rate of $7.50 per head; since the war and at the present time the rate is $20 to the western ports and $25 to the eastern ports of England—an increase, as my hon. friend said, of 166 per cent.

Mr. MEIGHEN: Did the $7.50 rate apply to both eastern and western ports?

Mr. SPEAKMAN: Yes, in pre-war times. Now, we quite understand that marine costs have risen since pre-war days, but we cannot believe that they have risen proportionately to any greater extent than railway costs of operation. There are fewer men employed in connection with ocean transportation, and in many ways the expenses are less than those incurred by our railways, and therefore I cannot see why the ocean rates should be any higher in proportion than railway rates. At the present time it actually costs $10.20 to move a 1,200-pound steer—which is about the average for export—from Winnipeg to Montreal, a distance of 1,411 miles, while to move the same steer 2,060 miles by water costs from $20 to $25. In other words, the rates are almost the same per mile by water as they are by land. It is well known that water carriage is infinitely cheaper than land carriage, so that this state of affairs is to my mind unjustifiable. I cannot believe that these rates can be justified by the costs invilved. As I say, we are looking forward with some hope to a real improvement in these conditions through the negotiations and investigations being carried on and through the efforts of the minister and his department. If the present embargo on our cattle to the United States continues and if the present freight embargo to Great Britain continues, our live stock industry, the most important in the whole country, will be destroyed.

Mr. LOW: Does my hon. friend know whether the shipper of cattle from Winnipeg has to provide the feed used on the trip? As I understand it the ocean liners provide the feed.

Mr. SPEAKMAN: The shipper of the stock provides the feed in either case; the ocean carriers carry the feed free. There is a grievance in that connection. The feed is carried on the exposed deck, and in rough weather, particularly when the water is washing across the decks, the feed is frequently ruined.

Mr. SALES: I wish to corroborate what the hon. member for Selkirk (Mr. Bancroft) and the hon. member for Red Deer (Mr. Speakman) have said with regard to the precarious situation of the cattle raiser in western Canada. Unless some relief is given there is only one thing for me to do, as I said the other night, and that is to advise these men that there is no hope for them to continue in the business. When I say that they have been writing down the value of their cattle to the extent of 60 per cent below what it was a few years ago, hon. members will realize the seriousness of the condition they are in. I am pleased to hear that there is a special representative inquiring into this matter of ocean rates. The special committee on Agriculture dealt with it last year and I came to the conclusion then that there was no hope of the owners of ocean vessels reducing the rates voluntarily. I do not know just

what we can do. If we attempt to fix rates, then the ocean going men will say, "Well, we will not go to your port of Montreal." I do not see how we can control them. That is why I raised the question the other night with regard to chilled beef—whether it would not be more advantageous to the farmers of this country to ship their beef dead than to ship it alive. I hope the minister will devote some attention to that question. I hope also that representations will be made to the government of Great Britain on the question of discrimination between one dominion and another. I was in the Old Country; I was in Birkenhead and I saw cattle from Ireland there, side by side with cattle from Canada. I saw scabs of cows from Ireland that could go anywhere in England while our fine steers could not move unless some representative of the Department of Agriculture said they could go. With him was the decision whether our steers were store steers or fat steers, the decision was not with the man who wanted to buy them. If this official of the English Department of Agriculture said they were fat, they had to be slaughtered at Birkenhead; if he said they were stores they were permitted to go into the country and be fed for a short time. To my mind that is altogether wrong. The man who is purchasing the cattle should be allowed to say whether he is purchasing them for slaughter or whether in his opinion they are fit to be fed for five, six, seven or eight weeks longer. I raised this point directly with the official, and he said, "Well, this is the law and I cannot alter it." I do hope that representations will be made to the home government on this point. Perhaps it is a matter that the special representative at present making investigations in the Old Country should take up. If there is to be discrimination between dominions, the right hon. leader of the opposition will no doubt recognize and will express better than I can what it may lead to in the future. I can only reiterate my opinion that unless something is done very quickly to relieve the situation the only thing the farmer in the West can do is go out of business. I have always thought that the railways could assist. There is a milling-in-transit rate for the miller who handles western wheat; the minister will know all about it, as he is interested in the milling business. I have always been of the opinion there should be an in-transit charge for feeding cattle for export. For instance, an Ontario farmer buys cattle in the West; he intends feeding them for three or four months and then exporting them. Why should he not have the same privilege of a one cent per hundred pound stop-over rate, then shipping through to Montreal on the through rate, that the miller has for stopping wheat and converting it into flour, then shipping it on the milling-in-transit rate? I think that would help considerably in the marketing of our cattle from the West to the feeder in Ontario who wants to go into the business but who now finds that the local freight rate from Winnipeg to his station and the freight rate from his station again to Montreal is practically prohibitive. These are the things to which I think the government should devote its attention if it earnestly desires to assist the stock grower of the West.

Mr. LEADER: With regard to the situation of the cattle growers of western Canada, and particularly with reference to the question of transportation, which has arisen to-night, I had prepared some figures and had intended to speak on the live stock item in that regard, but I shall make a few comments under this item. The Minister of Trade and Commerce expressed a doubt a moment ago whether the farmers paid for the feed carried for the cattle during their transport.

Mr. LOW: I did not express any doubt; I simply asked the question.

Mr. LEADER: I wish to read a statement which was published in the Manitoba Free Press and which will show the actual charge that the farmer has to pay. The statement is as follows:

Detailed Statement of Cost of Shipping

Statement of cost of shipping 1,200 pound steer from Calgary to Britain, based on 21 steers to car from Calgary to Montreal, with an off-car weight of 1,085 pounds per steer at Montreal at a rate of $1.14½,

Calgary—	
Sand and bedding, $1 per car	$ .05
Disinfecting car, 75 cents	.03½
Moose Jaw—	
Labour (unloading $1, loading $1)	.09½
Feed, 20 lbs. hay in yard per steer	.25
Feed, 20 lbs. hay in car per steer	.25
Winnipeg—	
Labour	.09½
Feed in yard	.23
Feed in cars	.23
Fort William—	
Labour	.09½
Feed in car	.25
Chapleau—	
Labour	.09½
Feed in car	.25
North Bay—	
Labour	.09½
Feed in car	.25

Montreal—	
Labour (unloading and loading)..	.09½
Two feeds hay, 15 lbs. per steer per feed at $45 per ton..	.67½
Freight, 1,085 lbs. at $1.14½..	12.42½
Insurance en route (25 cents per head).. .. .	.25
Ropes 20 cents, buckets, forks, etc., 11 cents.	.31
Labour, marking and roping..	.10
Wharfage..	.15
Men for boat..	.75
Cattle broker's commission at Montreal.. ..	.50
On board ship—	
Ocean freight..	20.00
Ocean insurance, 5/8 of 1 per cent on $1.60.	1.00
Feed, hay, about..	4.30
Feed, meal, about..	2.10
(Feed, according to order, receives by law 20 lbs. hay, 6 lbs. meal per day per steer)	
Total..	$47.42½

That amounts to a little over $47 per steer. In addition to that the shipping interests compel the shippers to prepay freight in Canadian money, which Mr. Kennedy of Toronto computes adds from $1.50 to $2 per head. If the shipper was allowed to pay in English funds he would save that $2 per steer.

Here is another table supplied by Mr. Rice-Jones of Winnipeg, showing the rates applicable since the war:

Inland freight—	
Winnipeg to Montreal, 1,200 lbs. at 85c...	$10 20
Ocean freight—	
Montreal to west coast of England or Scotland..	20 00
Feed, inland and ocean..	8 00
Labor, Insurance, etc., inland and ocean.. ..	3 80
	$42 00

(All charges payable in Canadian funds.)

Figuring the same movement on the basis of 1914 rates the figures are:

Winnipeg to Montreal, 1,200 lbs at 60½c.. ..	$7 26
Ocean—Montreal to England, average 30 sh...	7 30
Rail & ocean feed (estimate 20 per cent less than 1923)..	6 40
Labor-Insurance (estimate 20 per cent less than 1923)..	3 04
	$24 00

That gives a total of $24 on the basis of 1914 rates, as compared with $42 as at present.

Now, Mr. Chairman, it seems to me that the government cannot escape responsibility in regard to this matter. When they anticipated the raising of the embargo on Canadian store cattle in the Old Country the shippers of western Canada in a live stock meeting held at Regina in 1921, passed a resolution advising the government to take under immediate consideration the feasibility of getting some of the Canadian Government Merchant Marine ships to carry cattle overseas. Mr. Arkell, the live stock commissioner, was present at that meeting, and he made the statement—I have it here, but I will not read it—that he understood there was a surplus of cattle-carrying boats, and knew for a fact that some of them were being dismantled at that time. Notwithstanding that, when the trade developed and the cattle were ready for shipment overseas, we were met with the situation that the shipping interests claimed they did not have space enough, and they immediately raised the carriage charges, which leads us to believe that there is a deliberate combine existing in order to extort the last dollar out of the Canadian farmer and the shipper of cattle. I would just like to quote a few words from Mr. Rice-Jones, who represents the Grain Growers' Grain Company, which ships 25 per cent of the cattle shipped out of Canada. He appeared before the Imperial Shipping Committee at Winnipeg and declared that the present steamship rate was almost prohibitive and was strangling the export trade between the two countries, Canada and Great Britain. This is a live question out in the West, and it also should be, and I believe is, in the East. Here is an extract from an editorial appearing in my own paper in Portage la Prairie, which expresses it in better language than I could use. Referring to a meeting held in Winnipeg about two months ago it says:

> At the Stockers and Feeders banquet in Winnipeg eminent men like the president of the C.P.R. and 1st vice-president of the C.N.R. gave advice favouring mixed farming and cultivating the home market. This is what the boys call "old stuff." Reduced transportation rates is one of the greatest essentials to assist agriculture. It has been demonstrated that it costs more to transport a steer to the British market than it costs to buy the beast in the stockyard in Winnipeg. How is it possible for agriculture to succeed working on that basis?

I shall not keep the committee any longer to-night, except to sound this warning, unless we receive redress, and receive it very soon, the cattle raisers of Canada will have to go out of business unless we can find another market, because the Old Country market is not proving what we expected it to be.

Mr. BOYS: The minister told us that the special agent was Mr. Preston. I would like to get his initials, and to know something of his occupation, and if possible, the terms upon which his services as special agent have been secured by the department.

Mr. LOW: His initials are W.T.R.

Mr. MEIGHEN: That name has ravished my ears before.

Mr. SALES: What are his special qualifications for this investigation? What does he know about the business?

Mr. LOW: I have not the slightest doubt that he is qualified to carry on the investigation, and I hope that good results will follow.

Mr. MEIGHEN: When did he leave?

Mr. LOW: About six or eight weeks ago.

Mr. MEIGHEN: Had the Liberal organization given him leave of absence?

Mr. LOW: I do not understand why my hon. friend interjects these questions. He knows very well that Mr. Preston has no connection with the Liberal organization, and has not had for a number of years. I cannot understand why a gentleman of the standing of the leader of the opposition should ask such questions.

Mr. MEIGHEN: It is strange.

Mr. LOW: It is.

Mr. BOYS: What was his occupation before he went on that trip?

Mr. LOW: He is investigating the matters I referred to.

Mr. MEIGHEN: What was his occupation before?

Mr. LOW: I have no knowledge of what he was doing before. I knew he was quite capable of carrying on this investigation, and that is all I was concerned about.

Mr. MEIGHEN: Was not his principal occupation before hanging around to get the job?

Mr. LOW: You seem to know more about him than I do.

Mr. MEIGHEN: I know that.

Mr. LOW: I know he is a good man to carry on such an investigation, and I asked the government to put through the following order in council:

The committee of the Privy Council, on the recommendation of the Minister of Trade and Commerce, advises that W. T. R. Preston be employed to investigate the alleged discrimination in freight rates covering Canadian shipments from Atlantic seaports, and also regarding the alleged combine in connection with such shipments in marine insurance, and to report on these subjects to the Minister of Trade and Commerce.

Mr. MEIGHEN: What date was that?

Mr. LOW: The 28th of February, 1924.

Mr. BOYS: I have endeavoured to find out what his occupation was before he took this work. It strikes me that it would be very desirable to know whether he knew something of these very questions he was going to investigate, discrimination in freight rates, and freight rates in general. Perhaps he has that qualification, but so far as I know he has not, and I would be glad if the minister would let us know whether he has or has not.

Mr. LOW: I have already stated that I thought he was one of the best men in the country to investigate such questions.

Mr. BOYS: He is a journalist or something of that kind, is he not?

Mr. LOW: It does not make any difference. I suppose lawyers are often appointed to investigate different matters. I imagine my hon. friend would say a lawyer was a good man to investigate matters in connection with the Grand Trunk railway. I am sure that a printer has some qualifications for such work.

Mr. BOYS: Is that what he is, a printer?

Mr. MEIGHEN: This is not the first step the government took towards meeting the situation?

Mr. LOW: It is not the first step we took towards meeting what situation?

Mr. MEIGHEN: What preceded that?

Mr. LOW: When the delegates were going to England last fall I prepared a memorandum for them, pointing out that there was a discrimination against Canadian ports in the shipment of flour. I am sorry the ex-Minister of Finance is not in his place tonight because I think he made the remark that the difference did not amount to very much.

Mr. MEIGHEN: This is in relation to flour. I mean in relation to cattle.

Mr. LOW: In relation to cattle? The negotiations opened up about the same time.

Mr. MEIGHEN: As this?

Mr. LOW: Yes.

Mr. MEIGHEN: That is 28th February?

Mr. LOW: I think it was a little earlier than that. I think I carried on negotiations shortly before that.

Mr. MEIGHEN: With whom?

Mr. LOW: With the vessel owners in the city of Montreal and elsewhere. I had several meetings with them at which I endeavoured to persuade them to reduce the rate, but I was unsuccessful. However, negotia-

tions are still going on and I purpose visiting England during the summer. That is one of the objects of my visit. The ex-Minister of Finance (Sir Henry Drayton) made the statement this afternoon that an equalization of rates between New York and Liverpool, and between Montreal and Liverpool, would not amount to very much. Well, the equalization amounts to about five cents a hundred, about ten cents a barrel, and about two cents on every bushel of wheat. My hon. friends can quite understand that if the Canadian miller is at a disadvantage of two cents a bushel it is a great handicap to him. We succeeded in having the rates equalized, and I think my right hon. friend will admit that was a great accomplishment. At any rate the farmers, as well as the millers, will admit that, because if the average miller was sure of a profit of ten cents a barrel on flour the year round he would be well satisfied. It is the great volume of flour that is manufactured that tells, and the mill must be run the whole twenty-four hours or it is almost impossible to make a profit in milling. I do not know whether I have given my hon. friend all the information he asked for.

Mr. BOYS: Now give us the terms on which he was employed?

Mr. LOW: The gentleman who was sent to England to investigate this matter? I will quote from the order in council:

> The committee, on the same recommendation, further advise that subject to instructions of the Minister of Trade and Commerce, and while employed on the above work, Mr. Preston be paid remuneration at the rate of fifteen dollars ($15) per day for each day actually employed on the said work; and also that he be allowed for the time necessarily spent in travel while carrying on such work a living allowance not to exceed an average of ten dollars ($10) per day, in addition to actual cost of transportation while so employed.

Mr. BOYS: There is no limit as to time?

Mr. LOW: No.

Mr. MEIGHEN: Does the minister expect that Mr. Preston will require the $10,000 appropriation, or is some of that to be used elsewhere?

Mr. LOW: Some of it has already been used elsewhere. The chairman of the Imperial Shipping Committee was invited to visit Canada in connection with this investigation and we agreed to pay the actual expenses of the British visitors. Some of this vote will be used for that purpose.

Mr. MEIGHEN: Perhaps it would be convenient for the minister to let us have the particulars as to how this estimate is made up—how much is set apart for Mr. Preston and how much for the other purpose?

Mr. LOW: There is no portion set apart for the other purpose.

Mr. MEIGHEN: Perhaps it will not be enough?

Mr. LOW: The amount was arrived at after the estimates had been prepared. We were not sure just how much would be required so we estimated the figure at $10,000. If I remember rightly I think the expenses of the gentleman referred to amounted to $2,000.

Mr. SUTHERLAND: Will the minister say whether there is any other provision made for taking care of Mr. Preston during the coming year?

Mr. LOW: For what?

Mr. SUTHERLAND: Whether there is any other item in the estimates to take care of Mr. W. T. R. Preston during the coming year? The sum of $10,000 would surely not be sufficient. If this is the same W. T. R. Preston that I have in mind, I think he was acting in the inquiry into the freight rates on the lakes during the past summer.

Mr. LOW: He acted as secretary to the commission.

Mr. SUTHERLAND: And prior to that he was employed by the government in the Old Land. I have here some references to Mr. Preston which date back to 1898. I believe that almost continuously since that time he has been paid for acting in a somewhat similar capacity to that in which he will act during the coming year. This thing is getting threadbare. I do not believe the minister really knows Mr. Preston's record, and his ability to have items appear in the estimates for his particular benefit.

Mr. BOYS: Put him on annual salary.

Mr. SUTHERLAND: The minister has ability to size up the situation himself without any advice from Mr. Preston.

Mr. LOW: I have not had time; he is preparing material for me.

Mr. SUTHERLAND: Then all I can say is that if there is not time, and it is necessary to have someone make this inquiry, select some person whose reputation will bear investigation; do not appoint a political hack such as this, a discredited political hack, a man whose very reputation stank in the

nostrils of the people of this province during the last twenty-five years. I doubt if there ever was in the history of the province of Ontario, or the Dominion of Canada, a man who had a more unsavoury reputation than this Mr. W. T. R. Preston. I noticed the present member for West Elgin (Mr. McKillop) sitting in his seat a few minutes ago and I asked him what year it was Mr. Preston was carrying on his operations in that constituency. There were two or three by-elections there inside of two years, in 1898 and 1899. The result of Mr. Preston's activities in that constituency was that the candidate of the Liberal party was elected, but when a recount took place it was found that more votes had been cast for that candidate than there were voters, in some of the polling divisions. An investigation was held and the Liberal who had been elected, Mr. Donald McNish, resigned his seat and protested against the methods which had been adopted. I have here a telegram that was sent out by Mr. Preston to Mr. McNish on the night of the election in that year. It reads as follows:

Heartiest congratulations. Sorry to the bottom of my heart cannot be with you to-night. To be supported by such a noble army of workers should make you the proudest man in Ontario.

This was the telegram that Mr. Preston sent to Mr. Donald McNish, the member who was supposed to be elected on that night. When the matter was investigated Mr. McNish resigned his seat and he had a statement published over his own signature as follows:

1. That a large number of persons were specially sent into the constituency by men working on behalf of the Liberal party for the express purpose of taking part, on Mr. McNish's behalf, in the election held January 12, 1899, and we believe that fraudulent and corrupt means were used by some of such persons to secure his election.

2. That several of the said persons illegally and without authority acted as deputy returning officers at the said election,—

That several of the said persons illegally and without authority acted as deputy returning officers at the said election, and in at least three cases so acted in the names of reputable local men, having under assumed names, been introduced to the returning officer by local agents of Mr. McNish.

3. That in many of the polling subdivisions of the riding there were grave irregularities connected with the return of ballot-boxes and their contents, the voting, and the counting of the ballots thereat.

4. That there were large numbers of persons brought into the riding for the express purpose of personating legitimate voters, and, assisted by some of Mr. McNish's local supporters, such persons did personate qualified voters in voting for Mr. McNish.

5. That the declared number of votes for Mr. McNish largely exceeded the number of bona fide votes cast for him.

That a large number of ballots cast for Mr. McDiarmid were in some nefarious and corrupt manner manipulated, whereby the result of the election was rendered doubtful, and that in this connection the voting at Shedden and Middlemarch, and in several divisions in St. Thomas, where said strangers so acted as deputy returning officers, merits special mention.

This is from Hansard of July 26, 1899, reporting the discussion in the House of Commons. This matter was threshed out upon that occasion and Mr. Preston was immediately appointed as an immigration agent in the Old Country in connection with the Department of Immigration and Colonization. While in that capacity he got into touch with the provincial Director of Colonization at Toronto, and this matter was also placed on the records of this House two or three sessions ago. In view, however, of Mr. Preston's renewed activities and his ability to have the government provide for him, I am going to read some of the methods which he was advocating at that time. This letter was dated and written on government stationery from 17 Victoria Street, London:

W. T. R. Preston to the Director of Colonization in the province of Ontario:

I have your letter of a late date on emigration to Ontario. You incidentally say in the letter that you are opposed to indiscriminate emigration. Well, in that respect you agree with everybody else. I do not know any one who suggests, or who would propose, that there should be indiscriminate emigration to that province. Whatever is done must be done carefully, and any who are sent out must be well selected emigrants. But don't run away with the idea that only well to do people, or those with money, are going to emigrate. If you are going to keep up a population in the old parts of the province you must be satisfied with sober, energetic and industrious emigrants. I know all you people are terribly afraid of the foreign element. Upon that point I don't agree with you and have no hesitation in saying that a good class of foreigners scattered about the old parts of Ontario will do very much more towards preserving a proper agricultural population than those from England for instance. Politically speaking I believe the introduction of a hundred families or so into some of those close ridings with the connection which could be had and maintained here would easily preserve for us many doubtful seats in that province. I know the anxiety or nervousness of the minister upon this question. Confidentially, I may tell you, I fear it bears some slight resemblance to one of courage. You know enough about politics to know that courage always beats. However as we don't agree upon that phase of the question we won't discuss it.

I have heard from the Wallaceberg people in answer to my letter of the middle of last month and I am now trying to meet their wishes among the best growers of Belgium. I will be over there in the course of a week or ten days and will then write to you as also to them, upon the outlook there.

Yours very truly,

W. T. R. PRESTON.

This letter was dated October 18th, 1901. Afterwards a good deal was heard—and some hon. members may recall this—about him and his connection with the notorious North Atlantic Trading Company which was subsidized by the government of

that time, and when an inquiry was demanded, the information was refused to parliament at that time, on the ground that some of those connected with that company were people of high standing on the continent and that some of them would likely commit suicide should their names be divulged. Mr. Preston was one of those who were associated with that scheme, and this has been the case during all these years. During the past year Mr. W. T. R. Preston was secretary of the commission that was investigating freight rates on the lakes. Now he is going to be taken care of by the vote that is before the committee to-night in order to provide for his maintenance. He evidently has claims upon hon. gentlemen opposite that he insists upon having recognized. He is not the only one. I have referred, during this session and last session, to some other parties who evidently contend that they also have claims that must be recognized and who have been drawing their salaries and expenses out of the coffers of this country, illegally, as it was stated last session. The government absolutely refuse to grant a fiat to enable suit to be brought to recover the salary that had been paid to this other party. I claim that an item of this kind appearing in the estimates, with the minister stating that a portion of it, at least, is to go to pay for the services of Mr. W. T. R. Preston, is an item that ought to be struck out of the estimates. This country cannot afford to employ people of that character, discredited political hacks that have been a barnacle upon the Liberal party in the province of Ontario for the last twenty-five years. It is about time that we were dropping characters of that kind instead of reviving them. I do not believe the minister knew the character of this man or he would not have made the statement he made here to-night, that this man was to draw the major portion of this $10,000 item which is now before the committee. This is the first time that I have referred to Mr. Preston's operations in this House, although they have been referred to frequently by others. I know there are many members in the House who know nothing about Mr. Preston, but the minister can very easily obtain the information that he desires without this item at all. If this item is merely to provide for Mr. Preston, under the guise of performing a public service then it should not appear in the estimate at all.

Mr. LOW: I absolutely refuse to be drawn again to-day into a debate of mud-slinging and the style of debate that one would expect to hear from political wardheelers when a campaign is at its height.

Mr. SUTHERLAND: I object to having any insinuations thrown across the floor of the House. I came into the House a few minutes ago and I found that the minister himself was referring to Mr. W. T. R. Preston. You cannot introduce the name of Mr. Preston in this House and expect to avoid anything of this kind.

Mr. LOW: My right hon. friend himself referred to Mr. Preston. Why should two or three gentlemen condemn Mr. Preston? There are other members of the House who may have an entirely different opinion of him.

Mr. MEIGHEN: What does the minister think of the letters, which he has heard read, signed by Mr. Preston?

Mr. LOW: To tell you the truth, I did not listen to them.

Mr. MEIGHEN: Then why does the minister describe something that he knows nothing about?

Mr. LOW: I heard enough of the remarks that were made in regard to the letters to know what they were about.

Mr. MEIGHEN: The minister expects to appoint a character like this at the expense of the country and have no one make any remarks about him? If so he quite fails to realize the character of hon. gentlemen in this House. This money is nothing but a piece of jobbery against the people of Canada; there is absolutely no justification for sending Mr. W. T. R. Preston to England to report on cattle rates—a man who has had no more to do with matters of this kind than anybody whom the minister might pick out of any newspaper office in this Dominion, or off the street. Mr. W. T. R. Preston is a man who ever since the election has been hanging around the door of the Liberal party wanting jobs all the time and getting them whenever the government could hand them out.

Mr. LOW: Did my right hon. friend never have men hanging around looking for jobs?

Mr. MEIGHEN: Yes, but we did not give them.

Mr. LOW: You did not?

Mr. MEIGHEN: We did not send political hacks to England, at a cost of thousands of dollars to the people of this country, to look into questions in respect of which they had no experience whatever, no information and no qualification of any kind. A more absurd selection could scarcely have been made in the Dominion; I doubt whether the minister could have made one less acceptable to the

farmers of Canada or to the people generally. Every one knows W. T. R. Preston. There is not a better known—or rather I should say a worse known—name in the political history of Canada. The minister may be going over to England this summer. Very well; let him go over and look into the matter. But do not send Mr. Preston over on the excuse that he is going to prepare the way for the minister. I find in the Speech from the Throne at the opening of the House a statement which in the light of what is revealed to-night is more than amusing:

> As a stimulus to stock-raising in the Dominion, and of direct benefit to agriculture, the government has been endeavouring to obtain a lower carrying charge on all shipments of Canadian cattle.

Mr. LOW: Does the hon. gentleman object that?

Mr. MEIGHEN: I think it is really amusing that the government should see fit to put that passage in the Speech from the Throne, on the basis of the facts revealed by the minister to-night. What were the efforts that were to be made? The first effort was for the minister to see some of the shippers and ask them to reduce the rates. He failed; and the next effort, the only other one, was on the very day the Speech from the Throne was delivered, to pass an order in council to send Mr. W. T. R. Preston to England.

Mr. LOW: Does my hon. friend not know that the negotiations had been carried on for several months?

Mr. MEIGHEN: The minister told us what they were. He told us that he himself failed in his request of the shipowners to reduce the rates; he told us that he was in Montreal with a view to having this done. This failure of the minister and the appointment of Mr. W. T. R. Preston are worthy of insertion in the Speech from the Throne!

Mr. LOW: The efforts of the Minister of Trade and Commerce were not, but the object was worthy of reference in the Speech from the Throne. Does my hon. friend know that almost every farmer in Ontario and in the province of Quebec, besides many in Alberta, have from six to ten steers to sell every fall?

Mr. MEIGHEN: Who is talking about that?

Mr. LOW: If we can accomplish something in lowering the rates will it not help the agriculturists of the country?

Mr. MEIGHEN: Does the minister think that is the point I am making?

[Mr. Meighen.]

Mr. LOW: I know my hon. friend is trying to make out that what we are going to do is all wrong.

Mr. MEIGHEN: What I am making out is this, that the order in council appointing Mr. W. T. R. Preston to go to England, the day the speech from the Throne was delivered, is no basis for the presentation to parliament of a document of this kind. The thing is to laugh! Undoubtedly the subject itself is of paramount importance and warrants the visit of the minister to England. It is big enough, and if the minister accomplishes anything we will give him due credit upon his return. The minister claims to have already spent some time on the subject. He evidently will have to spend a little more before he knows as much about it as hon. gentlemen who have spoken to my left to-night, and behind me as well. He does not know very much yet about it. Nevertheless, he does know something about business and about freight in general, and it is quite right and proper that he should go and look after the matter. But we object to providing an excuse for keeping in some measure of comfort a political refugee of the Liberal party. It does seem to me extraordinarily strange that since the embargo was removed about a year ago, and during the very time these supposed efforts were put forth to reduce the rates, the rates should go up to the alarming figure they have now reached. If it is true—and I have no reason to doubt it; indeed I was astonished at the statement—that water carriage to-day is practically equal mile for mile to land carriage, then surely there is something wrong. And if it is equally true that for what cost $7.50 before the war $25 is charged to-day, unquestionably there is an opening for some remedy, even if we do go the length of providing competition by our own investment. I do not pretend to have any experience in the cattle business, but knowing as I do the conditions under which the cattle men lived before the war, when the rate was $7.50, it is inconceivable that the industry could exist under a $25 rate.

Mr. LOW: That is why I am anxious to provide a remedy.

Mr. MEIGHEN: I am not complaining of that, but it is an awful start to make to send Mr. W. T. R. Preston over and make the provision for him the first charge against the campaign. The minister's own efforts may result in something, and we hope they will. Could he not give us an indication as to what he proposes to do? There is no reason why

that could not be done; no time would be so suitable for him to do so as the present. I am not anxious to discuss the matter to-night but we would have this advantage, that we could come to the discussion much better informed if we had an intimation in advance as to what the nature of the proposed legislation is.

Mr. LOW: I would hardly care to discuss the matter without first having considered it fully with my colleagues.

Mr. MEIGHEN: The Minister of the Interior (Mr. Stewart, Argenteuil) told us a while ago that there was to be something, so that he evidently knows about it.

Mr. BOYS: It is 12.20 p.m. now and we have been working hard all day. During the past few days the House has been adjourning around 1 o'clock in the morning. This item is not large but it is an important one and it could stand further discussion. If the minister is not familiar with Mr. Preston's record perhaps a little more information could be given him if the item were allowed to stand. I do not like to make statements I am not sure of, but I do know something of what has been already stated by my hon. friend (Mr. Sutherland), and I feel confident that if the minister wants more information regarding Mr. Preston's record it can be got. Certainly it does not seem to me that Mr. Preston is the right man to send on a mission of this importance. If his investigations lead to nothing I doubt whether the members from the West will feel satisfied with any report he might make. I rose however to suggest that having in view the lateness of the evening this item might stand. The minister has made good progress and unless he wants to keep us until two o'clock he should report progress.

Mr. SUTHERLAND: I would hardly think it possible that the minister would adopt the attitude he has taken in view of the statements that have been made regarding Mr. W. T. R. Preston. Transportation, not only inland but on the ocean, presents great difficulties from the standpoint of rates; the rates are absolutely prohibitive. Unless something is done therefore I do not know what the outcome is going to be for agriculture. If the minister insists on retaining Mr. Preston in his service I am going to move that the item be reduced by as large a figure as possible. Unless we have an assurance that the services of this gentleman are going to be utilised in some capacity in the interests of the country I will not be a party to voting this item. In view of the attitude of the government therefore I move that the item now before the committee be reduced by $9,999.

The CHAIRMAN: The amendment is not in order until it is in writing.

Some hon MEMBERS: Carried.

Mr. MEIGHEN: It is absurd to suggest that the item can be carried before the hon. member has time to put the amendment in writing.

The CHAIRMAN: No effort is being made to write it.

Mr. SUTHERLAND: The amendment is in writing if the messenger will take it.

Mr. LOW: Just a word on the amendment. Is it the wish of this committee that the expenses of the Imperial Shipping Committee which visited this country to investigate freight rates on the ocean shall not be paid? If this vote is not passed there will be no means of paying those expenses. I propose carrying on an investigation with one object in view namely to secure if possible some reduction in the rates on cattle and other commodities going from Canada to the United Kingdom. The sum of $10,000 does not seem very much. It seems to be the impression of some hon. gentlemen opposite that we have not selected the right man. He has been appointed for a period of six weeks to two months. He will have the information as far as possible prepared and ready for me, and so long as he secures it I have no fault to find with him. The references that have been made to him do not enter into the question at all. The question is whether we think the vote is a fair and just one for the object for which it is intended, and the man whom I have selected will I think obtain the information that will enable me to carry on the negotiations successfully when I am permitted to visit England.

Mr. HOEY: How much of this is required to meet the obligations imposed by the shipping board?

Mr. LOW: About $2,000.

Mr. BOYS: There may be a little misapprehension. As I understand it, the vote is only for two-thirds of $10,000.

The CHAIRMAN: The amendment is that the item be reduced by $9,999.

Mr. BOYS: It is not what I asked, Mr. Chairman. I said that the vote is for two-thirds of $10,000; therefore it is really for $6,600.

The CHAIRMAN: Yes.

Mr. BOYS: If $2,000 is required for this other service, the amount apparently voted to Mr. Preston would be $4,600. If my hon. friend from South Oxford (Mr. Sutherland) could see his way clear to make a change in his figures, I would be pleased that the amount to be voted should be the $2,000, and that $4,600 should be struck off.

Mr. LOW: There is no fixed amount for Mr. Preston; he may be in England for another month, he may not be. If he returns to Canada before I leave I shall be very glad.

Mr. BOYS: I appreciate that; but the minister has explained that of this $10,000 $2,000 is required for a specific purpose, and that the balance may or may not be required for a specific purpose, and that the balance may or may not be required for Mr. Preston. The vote is for two-thirds of $10,000, which would be $6,600. If the $2,000 is required for the building, that would leave a vote of $4,600, which would be devoted possibly—we will put it that way—to Mr. Preston.

Mr. LOW: Roughly speaking, he has an allowance of about $25 a day including expenses, which would be not more than $750 a month. If he is away, say, four months, the amount paid him will not be over $3,000.

Mr. MILNE: Is it not a fact that the Imperial Shipping Committee intervenes in complaints between shippers and shipowners; and has the Dominion a representative on that committee?

Mr. LOW: That is true.

Mr. HOEY: Who is the Dominion's representative?

Mr. LOW: Mr. Larkin.

Mr. MILNE: While the Imperial Shipping Committee apparently were effective in reducing rates, yet it seems to me that their action was effective only so far as the millers were concerned, because the cattle rate instead of being brought down even with the low rate was raised to make it on a par with the high rate. So it seems to me the commission did not accomplish very much. But why was not this matter of the cattle shipper presented to the committee when it visited Canada? I understand that at Winnipeg the evidence relating to the cattle trade was taken under protest, the chairman stating that the committee had received no instructions to investigate the cattle trade. The cattle rates having been a matter of contention for a good many years, I should like to know why this committee was brought over here at considerable expense to investigate the grain business, while the cattle business was not touched.

[The Chairman.]

Mr. LOW: I have already stated that the committee was asked to investigate the cattle rates as well as the grain rates. If my hon. friend will drop into my office to-morrow I shall be very glad to show him the letter of instructions which was addressed to the chairman of the Imperial Shipping Committee.

The CHAIRMAN: The question is on the amendment.

Mr. SUTHERLAND: Mr. Chairman, in view of the statement made by the minister that $2,000 of this vote has been expended for another purpose, and that the vote is for two-thirds of the amount appearing in the Estimates, with the consent of the committee I should like to change the figures in the motion now before the chair.

The CHAIRMAN: That cannot be done; the amendment must be withdrawn and a new amendment moved. The question is on the amendment, which has been already read to the committee. Does the hon. member have the unanimous consent of the committee to withdraw this amendment?

Some hon. MEMBERS: Carried.

The CHAIRMAN: The amendment is withdrawn.

Mr. BOYS: Will the minister not accept the suggestion we made? It is now thirty-two minutes past twelve. We have done a good day's business.

Mr. LOW: We have been discussing this all evening. I am willing to abide by the decision of the committee.

Mr. BOYS: Usually the minister is in charge of matters of this kind. We want to be fair to him, but I think he is getting on well. Surely he does not want to keep us here all night.

Mr. LOW: We might as well decide now.

Some hon. MEMBERS: Question.

Mr. SUTHERLAND: I move that the item now before the committee be reduced by $4,000.

Mr. HUMPHREY: Is the hon. gentleman (Mr. Sutherland) in favour of the principle of an inquiry into ocean freight rates?

Mr. SUTHERLAND: Most assuredly I am, but I do not see any reason for employing a man of the reputation of W. T. R. Preston to make an inquiry of that kind. There are many competent men in the department who have all the knowledge required to make such an investigation. I doubt whether a trip across the ocean is necessary to secure the information that is required. I am satisfied that the minister, with his business acumen and the officers in his department can very quickly obtain all the necessary information without employing a character of this kind. Mr. W. T. R. Preston's whole record is against the utilization of his services in this capacity.

Mr. McKAY: What particular charge does the hon. member make against Mr. W. T. R. Preston?

Mr. SUTHERLAND: I cannot make it any clearer than I have already made it. I gave a partial report of his history for the past twenty-five years. It has been placed on the records of this House time and again.

Mr. McKAY: The charges made by the hon. gentleman have been very general in their form. Nobody in this assembly this evening has been able to determine what the hon. member means by those charges. Let him make a specific charge against Mr. Preston.

Mr. SUTHERLAND: Surely the charge made by the candidate in West Elgin, Mr. McNish, should be sufficient.

Mr. McKAY: Did the law proceed against him. Was action taken against him? Was anything proved against him? Nothing at all. I have known W. T. R. Preston for a number of years. I knew other organizers in Ontario who are dead and buried, but I am not one of those who wish to stir up the embers of the past. W. T. R. Preston is one of the cleverest men in Ontario. He may have been guilty, although not proven guilty, of indiscretions in elections he took part in. He was organizer for the Liberal party for a great many years and an abler man in that capacity never occupied the position. I can make charges against men, and prove them, too, who were organizers for the Conservative party, but that is not my province, nor is it my determination in getting up here to-night. But I would ask the hon. gentleman (Mr. Sutherland) to explain why in the election of 1917 in the Old Country W. T. R. Preston was arrested and kept in custody all day on a trumped up charge and released in the evening to prevent his activities during that day? Then I would like to ask the hon. gentleman to produce a booklet or pamphlet written by W. T. R. Preston entitled "Taking off the Lid," making serious charges in regard to that election across the pond, charges which have never been answered to this day, though they were broadcast through the length and breadth of Ontario, and although they have been in the hands of hon. gentlemen opposite for a number of years?

Mr. SUTHERLAND: I have never seen it.

Mr. McKAY: These charges have never been answered. One can therefore understand the animosity toward W. T. R. Preston on the part of hon. gentlemen in that corner of the House to-night.

Mr. LOW: I had just one object in investigating the ocean rates. I selected Mr. Preston to do the preliminary work. He has been at it for the last six weeks or two months, and now by your amendment you ask the committee to repudiate the action of the Minister of Trade and Commerce. If this vote does not carry there will be nothing to pay Mr. Preston. He has to be paid, but I am willing to stand behind the vote of the committee and will allow hon. members to decide whether I am taking the proper course in investigating the ocean rates at present in effect.

Mr. MEIGHEN: I do not need to make any comment on the minister's statement except this: His argument, if there was one, was to the effect that the government, having employed this man without the authority of parliament, now must have the money to pay him, no matter whether the government's action was proper or not. Parliament, if it has any authority at all, will exercise it in this case. As to the remarks of the hon. member (Mr. McKay) I do not think I am in a position to dispute that there is a measure of cleverness in W. T. R. Preston. I will concede also that for the purposes for which he was appointed as Liberal organizer he probably worked hard and had some qualifications; but I shall not define those qualifications. As to his being arrested in England, I did read about it. He was arrested by an army officer who, I understand, did not know who he was, and thought he was making a nuisance of himself. I did see the pamphlet that he wrote. He wrote it for the purposes of the Liberal convention, whereupon the Liberal convention passed a resolution that they wanted to get into power in order to investigate the charges of W. T. R. Preston, in order to investigate the awful scandals that he said had been perpetrated in England. They got into power by the storm they raised and

under the dust they created, but they never investigated the charges. They have been two and a half years in office now, but they have shuddered at the brink. Now we have them in front of us; I want them to investigate the W. T. R. Preston charges. I want them to send a commissioner who is a commissioner to England to investigate them. Hon. gentlemen will remember that the worst of the charges were made against men who now are their closest friends. Catch them investigate the charges! Why, if the hon. member for North Renfrew came here with forks and tongs he could not prod them into it. So let the hon. gentleman not refer to charges that his own party are afraid to investigate. Preston's record smells to high Heaven in this province. As respects a matter of this importance, a matter that demands experience of a quality that he is foreign to as a stranger in the Dominion, this item is nothing but an outrage on the treasury and it is an insult to parliament to ask to have it voted.

Mr. SALES: I am sorry that a subject of so much importance to this country cannot be discussed without charges being hurled from one side to the other. We have tried to-night to talk business, serious business, business which affects our people and their getting a living. Speaking for my friends around me, I think I can say that we do not propose to take any part in the washing of old, dirty political linen. I am sorry we cannot talk business without that being brought in.

Mr. MEIGHEN: It does not matter who is appointed?

Mr. SALES: I am glad to see that all parts of the House realize the importance of this subject, and the responsibility for this appointment must be on the government.

Mr. MEIGHEN: It rests with us if we vote the money.

Mr. SALES: I do not know what the qualifications of Mr. Preston are, and I asked the minister. I really think he might have been better advised if he had appointed Mr. Duncan Marshall. He has a knowledge of the subject at any rate, but I know that if he had been appointed hon. gentlemen to my right would have raised just as great a storm of protest as they are doing over this appointment.

Mr. SUTHERLAND: We sent him over to the Old Country three times last year.

Mr. SALES: I know what is said about him, but I repeat, he has a knowledge of this particular subject.

[Mr. Meighen.]

Mr. MEIGHEN: Better than Preston, all right.

Mr. SALES: Yes, but in my opinion the responsibility for this appointment must rest on the government. I believe the money should be voted for this inquiry, and I am not going to support the amendment.

Mr. BAXTER: The responsibility does not rest on the government alone. It rests upon everybody who votes for the item. Members need not be afraid that I am going at this hour to discuss Mr. Preston. I know very little about him anyway. But just assume that this government appointed a criminal from the penitentiary; I am not going to suggest that Mr. Preston is in that class at all, but suppose the government took a criminal out of the penitentiary and sent him over. Listening to what my hon. friend from Saltcoats has just said, that would be all right, the government had the power to do it; the responsibility be on the government, and then he votes to pay the money for something that he might not in private life say he would approve of, just because the government had done it. Can truckling go further?

Mr. SPEAKMAN: I would just like to make one comment in reply to what my hon. friend from St. John has just said. The only evidence we members in this corner of the House have had so far as to Mr. Preston's alleged bad character has come from the gentlemen to my right. Now I have a great deal of respect for these gentlemen, particularly for some of them, but I have not been encouraged from what experience I have had in the past to take all their statements at their full face value, and unless I have other evidence to back up their statements, I do not propose to take them at their full face value. If there was other definite evidence apart from the statements that have been made which would go to prove something against Mr. Preston, and not merely statements on the floor of this House by men who, however honourable, are not without a slight tincture of partisan feeling, I would accept that evidence and vote against the appointment of an unsuitable man.

Mr. MEIGHEN: Does the hon. member consider it no evidence when a letter is read signed by the man himself, in which he urges the bringing out of foreign immigrants and keeping them, one hundred families in a county, for the purpose of keeping control of them and influencing an election?

Mr. SPEAKMAN: I am prepared to accept a written document of that kind at its face value. It was written, I understand, about twenty years ago. That man may have been a good Liberal organizer at that time, but that does not necessarily prove to me that he is not fairly honest in his business dealings.

Mr. MEIGHEN: He was not a Liberal organizer at that time. At the time he wrote the letter he was a commercial agent for the Dominion, and was paid a salary by the Dominion government.

Mr. SPEAKMAN: Has the letter which was read, or have his actions which have been condemned, any bearing on his qualifications for investigating the cattle trade? If it were proved that this man were unsuitable I would take a chance on destroying the investigation by refusing to vote the money, but as it is I am not prepared to accept the statements at their face value. In spite of the gentlemanly remarks of the hon. member for St. John, somewhat characteristic of him, I am not prepared to accept his word, and I propose to take a gambling chance in voting $4,000 that the government is sufficiently alive to the sense of their responsibility to see that a man is appointed who has some qualifications, and I propose instead of destroying the possibility of any investigation, to vote for the item.

Mr. SUTHERLAND: I am afraid my hon. friend is fairly easily satisfied. If he is anxious to acquire some information with regard to Mr. Preston I would refer him to Hansard of July 26, 1899, page 8579, and of April 4, 1907.

Mr. PARENT: When have you been studying that?

Mr. SPEAKMAN: This is 1924.

Mr. SUTHERLAND: Afterwards, while Mr. Preston was in the employ of the federal government he was a Liberal organizer for the province of Ontario.

Mr. KELLNER: Was he engaged in the 1917 election?

Mr. SUTHERLAND: He took an active part in the election overseas, and I only wish I had some of the literature over his signature that he circulated among the soldiers overseas, because if there was ever damning literature against any man it is the literature circulated by W. T. R. Preston on that occasion.

Mr. PARENT: Look in your back pocket. You might find it there.

Amendment negatived; yeas 13, nays, 41.

Item agreed to.

Inspection and Sales Act, administration of, $3,000.

Mr. MEIGHEN: If the minister purposes going on now, I may as well warn him he will go on in vain.

Mr. LOW: I move that the committee rise and report progress, but I wish to say that I did not like the threat of my right hon. friend.

Mr. MEIGHEN: It should not have been necessary.

Mr. LOW: If my right hon. friend had waited a moment he would have heard me move that the committee rise and report progress.

Progress reported.

On motion of Mr. Robb, the House adjourned at 12.58 a.m. (Friday).

Friday, June 20, 1924

The House met at three o'clock.

REPORTS

First and second reports of the select standing committee on Agriculture and Colonization.—Mr. Kay.

Second report of the selert standing committee on Marine and Fisheries.—Mr. Duff.

BANKING AND COMMERCE COMMITTEE

Mr. Thomas Vien (Lotbiniere) presented the tenth report of the select standing committee on Banking and Commerce as follows:

Pursuant to the Order of Reference from this House of the 31st of March, 1924, your committee, in view of the failure of the Home Bank, have considered the provisions of the Bank Act with a view to recommending such amendments to the act as would better protect the interests of bank depositors generally, and would prevent similar occurrences in the future:

And your committee are of the opinion that it is expedient to bring in a measure to amend the Bank Act and they therefore recommend that the said act be amended as follows:

That Section 56A of the Bank Act be repealed, and the following substituted therefor:

"Inspection:

"56A. 1. The Governor in Council on the recommendation of the minister shall appoint a person who in his opinion has had proper training and experience who shall be charged with the performance of the duties hereinafter mentioned. Such person shall be designated "Inpector General of Banks". The minister may direct some other such person to temporarily perform the duties of the inspector should the inspector, by reason of illness or other contingency, be unable to perform such duties.

"2. The Inspector shall hold office during good behaviour, but may be removed from office by the Governor in Council for misbehaviour or incapacity, inability, or failure to perform his duties properly.

"3. If the Inspector is removed from office for any such reason the order in council providing for such

removal and documents relating thereto shall be laid before parliament within the first fifteen days of the next ensuing session.

"4. The Inspector while holding office shall not perform any service for compensation other than the service rendered by him under the provisions of this section.

"5. The minister may appoint or employ on the recommendation of the Deputy Minister of Finance and the inspector, such persons with training and experience and such clerical assistants as may be deemed necessary to carry out and give effect to the provisions of this section. Persons so appointed or employed shall receive such salary or remuneration as may be fixed by the minister".

" 6. The inspector, from time to time, but not less frequently than once in each calendar year shall make or cause to be made, such examination and inquiry into the affairs or business of each bank as he may deem to be necessary or expedient, and for such purposes to take charge of the assets of the bank or any portion thereof, if the need should arise for the purpose of satisfying himself that the provisions of this act have reference to the safety of the creditors and shareholders of each such bank are being duly observed and that the bank is in a sound financial condition. The inspector at the conclusion of each such examination and inquiry shall report thereon to the minister.

" 7. A copy of all reports made by the auditors of a bank to the general manager and to the directors under the next preceding section shall be transmitted or delivered to the minister by the auditors at the same time as such reports are transmitted or delivered to the general manager and directors.

" 8. The inspector, or person acting under his direction, shall have a right of access to the books and accounts, documents, vouchers and securities of the bank, and shall be entitled to require and receive from the directors, officers and auditors of the bank such information and explanation as he may deem necessary for the performance of his duties.

" 9. The inspector shall have all the powers conferred upon a commissioner appointed under the Inquiries Act for the purpose of obtaining evidence under oath, and may delegate such powers as occasion may require. Any person who refuses to give such evidence or to produce any book or document material thereto when required so to do shall be guilty of an offence against this act.

" 10. Whenever the inspector is satisfied that a bank is insolvent he shall report fully on the bank's condition to the minister and the minister may, without waiting for the bank to suspend payment in specie or Dominion notes of any of its liabilities as they accrue, request the association or the president of the association to appoint a curator to supervise the affairs of such bank, and such request shall have the same effect as if the bank had suspended payment in specie or Dominion notes of any of its liabilities as they accrued, and a curator shall forthwith be appointed as provided in section 117 of this act.

"11. The inspector shall be paid a salary fixed by the Governor in Council on the recommendation of the minister.

" 12. All salaries, remunerations and other expenses incidental to giving effect to this section shall be paid out of the Consolidated Revenue Fund, and the Consolidated Revenue Fund shall be recouped after the end of each calendar year for such outlay by an assessment upon the banks based upon the average total assets of the banks respectively during the year, as shown by the monthly returns made by the banks to the minister under section 112, and such assessment shall be paid by the banks.

"13. All persons appointed under this section shall be officers of the Department of Finance, but the provisions of the Civil Service Act, 1918, shall not apply to such persons.

" 14. Any bank or any director, president, general manager or any officer of a bank who directly or indirectly makes a loan or grant or gives any gratuity to the inspector or any other person appointed or employed under this section and the inspector or any such person who accepts or receives directly or indirectly, any such loan, grant or gratuity, commits an offence against this act, and is liable as provided in section 157 of this Act, in addition to any punishment otherwise provided.

" 15. The inspector or any person appointed or employed under this section who disclose to any other person, except the Minister and the Deputy Minister of Finance, any information regarding a bank, its business or affairs commits an offence against this act and is liable as provided in section 157 of the act.

" 16. Provided, however, that the government shall not incur any liability whatever to any depositor, creditor or shareholder of any bank, or to any other person, for any damages, payment, compensation or indemnity which he may suffer or claim by reason of this section or anything therein contained, or by reason of anything done or omitted to be done under the requirements thereof, or by reason of anything omitted to be done which is hereby required to be done, or by reason of any order or direction of the Governor in Council or of the minister in the execution or administration of the powers or any or them by this section conferred, or by reason of any failure or omission on the part of governor in council or of the minister or of the inspector or of any officer or employee of the government to execute or discharge any power, authority or duty thereunder, or otherwise by reason of any default, negligence, mistake, error or omission in the administration or discharge of the powers or duties which in any circumstances are by this section intended or authorized to be executed or performed; and no such payment, damages, compensation or indemnity, nor any claim therefor, shall in any case be authorized, paid or entertained by the government.

" 17. This section shall come into force on the first day of October, nineteen hundred and twenty-four, but it shall not be incumbent upon the inspector to examine all of the banks under the section during the calendar year one thousand nine hundred and twenty-four."

He said: I beg to move that the tenth report of the select standing committee on Banking and Commerce be concurred in.

Mr. SPEAKER: This I think will stand as a notice of motion. Some members state in my hearing that the report is so long and so important that they would rather have time to read it before it is adopted.

Mr. VIEN: This motion is made, Mr. Speaker, in order to allow the Acting Minister of Finance (Mr. Robb) to introduce a bill based on the report.

Mr. SPEAKER: By unanimous consent, of course.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I do not think the House would do justice to itself in accepting a report which embodies suggestions for a very important piece of legislation forming a distinct departure from the

Bank Act, without the prescribed one day's notice.

Mr. SPEAKER: Next sitting.

JOINT COMMITTEE ON PRINTING

Mr. C. A. GAUVREAU (Temiscouata): I beg to move that the third report of the Joint Committee on Printing be concurred in.

Mr. SPEAKER: This will stand as a notice of motion.

WINDING-UP ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 197 to amend the Winding-up Act.

He said: Under section 34 of the Winding-up Act the liquidator may, with the approval of the court, sell any real and personal property belonging to the bankrupt estate and transfer it to any person or company. The amendment proposes to add the words, "for such consideration as may be approved by the court." The purpose is to remove doubts as to the power of the court to approve of the consideration when such consideration is other than cash or equivalent to cash.

Motion agreed to and bill read the first time.

CONSOLIDATED REVENUE AND AUDIT ACT AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved for leave to introduce Bill No. 198, to amend the Consolidated Revenue and Audit Act.

He said: This amendment is designed to make it clear that the Deputy Minister of Finance will not be obliged to sign with his own hand Dominion government bonds, but may delegate it to an officer of the department to be designated by the Governor in Council.

Sir HENRY DRAYTON: I suppose it is putting the law in the same shape as in regard to Dominion bills.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING

Bill No. 196 (from the Senate) for the relief of Annie Thirdie.—Mr. Hocken.

INLAND WATER FREIGHT RATES

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:

Resolved, That it is expedient to amend the Inland Water Freight Rates Act, 1923, and to provide,—

1. That it be enacted in lieu of the provisions of section three thereof as to filing with the Board of Grain Commissioners of a tariff of rates to be charged, that every shipper (including a corporation) shall immediately after entering into any charter party, bill of lading or contract for the carriage of grain from Fort William or Port Arthur to any other port or place in Canada or the United States by lake or river navigation, and before the grain shall have been laden in pursuance thereof, file with the Board of Grain Commissioners of Canada a true copy of the said charter party, bill of lading or contract for carriage.

2. That the provisions as to posting up statements in detail of cargo space, time of shipment and destination, as prescribed by section six, be repealed, and that the penalty clauses of the said act be amended.

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

Motion agreed to.

VOTES AND PROCEEDINGS AND HANSARD

Mr. SPEAKER: I have received the following letter from the Editor of Debates:

June 20, 1924

The Honourable the Speaker.

Sir,—I assume that your announcement in the House that you would call the attention of the chief of the Hansard staff to complaints of discrepancies, is a command to me to report upon the matter. I have the honour, therefore, to submit the following:—

The point to which Mr. Stewart (Humboldt) called attention is that certain items of the estimates, passed in Committee of Supply, and so recorded in the Votes and Proceedings, are not recorded in Hansard.

The notes of our reporters show that these items were passed without debate. In leaving such items unrecorded in Hansard, the reporters followed instructions given them, which instructions, so far as I know have stood unchanged ever since Hansard was established.

As this may seem to call for explanation, I submit further: It has always been assumed that the work of Hansard was limited to recording debates, the very title of our service—"Official Report of Debates"—indicating the bounds of our territory. Of course, certain items of the proceedings must be recorded also in order to make the report of debates intelligible, but we have never supposed that Hansard would be looked to as a record of proceedings.

Our reporters, and all of us who are engaged in the work of Hansard, are most desirous of performing our whole duty in the honourable positions we hold as servants of the House of Commons of Canada. In this case to which attention has been called, we followed what to us is immemorial custom, based, we assume, upon instructions originally given by competent authority.

I have the honour to be, Sir,

Your obedient servant,

A. C. CAMPBELL
Editor of Debates.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I desire, with all respect, to refer to the statement made by Your

Honour, and the letter which has been read from the Speaker's chair. I have the utmost respect for the Editor of Debates, but I have not so understood the purpose of Hansard, and I think it is an error if Hansard is continued on that principle. The letter of the Editor of Debates was designed to prove that Hansard was merely a record of debates as between one member and another of this House, and not as well a record of all the proceedings of the House, inclusive of statements by Your Honour and of motions passed without debate as read from the chair. I just turned up a Hansard which was on my desk, and I give this only by way of illustration. At page 3829 of the Hansard of last year, June 13, I find the following:

Royal Assent

A message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable House in the Chamber of the Honourable the Senate.

Accordingly, the House went up to the Senate.

And having returned,

Mr. Speaker informed the House that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the Royal Assent to the following bills.

Then follow two and a half columns of bills that had been assented to. Thereupon there is no debate, and the next item is Supply. This clearly shows that Hansard is much more than a record of debates, it is a record of proceedings; and I think should be a complete record of proceedings. In this connection let me urge, or at least let me suggest, that if Hansard were a complete record of proceedings, which it certainly is, save to a very slight extent, and I think should be fully—this illustration shows it has been a record of more than debates—then really, I do not see what object is served by the Votes and Proceedings publication. A very great economy could be effected by abolishing the Votes and Proceedings publication altogether. All that is ever left out of Hansard is little, and I did not know there was anything intentionally left out, and I urge strongly there should be nothing. Let us have one record, and let that record be complete.

Mr. SPEAKER: This morning I had a visit from the Editor of Debates, Mr. Campbell, who is an old and trusted official who has served the House of Commons for almost thirty-five years, and he states that from time immemorial the debates have been reported as they are reported to-day. It so happens that at times items are carried without any debate at all, and Mr. Campbell says that his understanding has always been, and his instructions from the Debates committee have always been, that the reporters of his staff shall report only the debates. I must say to the House that if they have any other instructions to give to our very able staff of Hansard reporters the matter should be referred to the Debates committee. The Debates committee does not meet very often, but it should meet on such an occasion at least.

Now as regards the Votes and Proceedings, which constitute the official record of what takes place before the House, let me read from Bourinot at page 182, speaking of the officers of the House of Commons and their duties, he says:

The clerk of the House is its recording officer, appointed by the Crown under the great seal of Canada and holds office during pleasure, virtually until his health or age no longer permits him to perform his duties. He has also, by the terms of the Civil Service Act, the rank of deputy minister, and in the operation of that act is charged with special duties and functions with respect to clerkships of the staff of the House. He takes notes of the proceedings of the Commons without any reference to the debate. He is "to make entries, remembrances, and journals of the things done and passed in the House of Commons; but it is without warrant that he should make minutes of particular men's speeches". His minutes, technically styled "the scroll", are made up every day in a brief and convenient shape, known as the "votes and proceedings," which comprise a record of all the proceedings, but omit many of the parliamentary forms which are given in full in the journals, when these are extended after the close of a session. He signs the orders of the House, endorses addresses and bills sent or returned to the Senate and reads whatever is required to be read in the House.

This shows that the Votes and Proceedings and the Scroll constitute the authentic record of what takes place in the House. But if it is the desire of the House, as suggested by the right hon. leader of the opposition, that Hansard should report what from time immemorial until to-day, Mr. Campbell states, has never been reported, that is items that are passed without any debate, it is for the House to instruct the Debates committee accordingly. I am informed by Mr. Campbell that he would accept the directions of the House in the matter. He is a very able and trusted official of the House of Commons.

Mr. HOCKEN: What duty or function has the committee of Debates to perform?

Mr. SPEAKER: Such matters as are referred to it by the House of Commons concerning the report of debates, the qualifications of the Hansard reporters, and matters generally concerning the official report of evidence before committees.

Mr. HOCKEN: I have been a member of that committee for the last two or three years, but I do not remember a meeting having been held.

Mr. SPEAKER: Possibly it is because as a matter of fact—and I am very sincere—the reports of the proceedings of the House by our Hansard staff are creditable to the country and to the House. I think I may say that.

Mr. T. W. CALDWELL (Victoria and Carleton): I am sure, Mr. Speaker, there was no thought in the mind of any members in the House to reflect either upon the Editor of Debates or upon the reporting staff of the House when this question was raised yesterday. I have been a member of this House for a number of years and this is the first time it has been called to my attention that items of Supply are treated differently when they are debated and when they are not. I can hardly understand why there should be any difference in the method of reporting in connection with the calling of an item when it is debated and when it is not. The saving effected in not reporting the items called and passed without debate would be infinitesimal. If the committee would rule that the debates on some of these estimates should not be reported, I think that condition might be justified; it seems to me that in some cases a good part of the discussion might be cut out. For instance, we find on page 3438 of yesterday's Hansard, to illustrate what I mean, the following item:

Honorary Advisory Council of Scientific and Industrial Research, $120,000.

If this item had not been discussed it would appear in that form and the only additional words would be, "Item agreed to." I would certainly recommend that the method be changed, and I say that without any desire to reflect upon the Editor of Debates, for whom I have the highest respect both for his ability and for his thoughtful care over the new members of the House—as we all were once. I am sure there is no thought of reflecting upon him in any way.

Mr. SPEAKER: I am sure that the Hansard reporters will take heed of the remarks made this afternoon and that it will not require even the calling of the Debates committee to have that little reform instituted.

Hon. ERNEST LAPOINTE (Minister of Justice): In justice to the present staff of reporters, Mr. Speaker, I must say that I have been a member of this House for over twenty years, and this is not the first time it has come to my notice that when items in the estimates are carried without discussion they are not reported in Hansard and that we have to look at the Votes and Proceedings to find them. That has always been the case, and I do not know that we should transform Hansard into an official record of the proceedings of the House. It is rather a report of the discussions for the information of those who desire to know what takes place in the House, but it has never had the character of being as official as some members would like it to be. Perhaps we would all suffer if it were so. It happens that our mistakes in speeches, either in French or in English, are corrected in Hansard, and it is good for all of us; if it were an absolutely official report of what took place many of us would suffer. Perhaps the reporters will view it in that way.

Mr. SPEAKER: I suggest it might be a wise thing for the Debates committee to meet and discuss this situation.

Mr. MEIGHEN: I just wish to mention, because it seems to have been overlooked, that the case to which I called attention shows that the rule has not prevailed.

Hon. CHARLES MARCIL (Bonaventure): My long experience in this House enables me to state that Hansard has never been looked upon as an official record of the House. The Votes and Proceedings, transformed into the Journals of the House at the end of each session, and signed by the Speaker, constitute the official record of this House; and if you wish to give evidence in a court of justice as to what really occurred in parliament you must produce this document, not Hansard. The drawback of Hansard is that when you seek information on any particular item which was not discussed in parliament there is a likelihood that no mention of it is made in Hansard, therefore Hansard is deficient in that respect. I think it would be a good thing if all the actions of this House were reported in Hansard, so that this costly publication, the suppression of which has been discussed a dozen times during my experience, should at least be a complete record of the proceedings of parliament. If that were done you would not have to refer back for this information to the journals of the House, a publication which few people possess outside of members of the House, while on the other hand, Hansard is distributed to the public libraries and generally throughout the country and is easily accessible. As I say, Hansard is deficient in that respect; when there is no debate the reporters are not required to make any mention of the undebated

subject, but for the convenience of the readers of Hansard it seems to me that mention ought to be made of these matters. But if we are to say that Hansard is the official record of parliament we shall have to go back on our present procedure. We had a very stubborn debate on the question here some years ago when the suggestion was made that the French and English journals of the House be combined, making one a mere translation of the other. I think that before any move at all is made in the matter, the Debates committee should meet, as you suggest, Mr. Speaker, discuss all sides of it and then make a recommendation to the House.

Mr. G. H. BOIVIN (Shefford): It will be a pleasure for me to call the members of the Debates committee together some time next week in order that this matter may be discussed. But I would like to say now that my own opinion agrees very much with that of the hon. Minister of Justice (Mr. Lapointe), and that is that Hansard should not be made an official report of the proceedings of this House. I understand that it would be advisable, if possible, to make mention in Hansard of the different votes passed in committee of Supply. Still, if hon. members give the matter a moment's reflection they will see that there are many objections to that plan. The reporter sitting at his table, having the estimates before him as a guide, is obliged to rely upon his hearing and upon the statement made by the Chairman in deciding whether or not a vote or a motion has been passed. Very often an item is called; the minister says "stand," and it is placed to one side. Sometimes a nod of his head to the Chairman is all that takes place and if that item is recorded in Hansard with no notation whatever—if the word "stand" is not used or is not heard by the reporter—then that item appears in Hansard to have been passed.

Mr. CALDWELL: Does this not apply to the items that are discussed? The Hansard reporter must depend on his hearing in regard to them.

Mr. BOIVIN: Absolutely; but when an item is discussed the Hansard reporter uses the description of the item as it appears in the estimates as a heading for the discussion and the discussion or debate appears in Hansard. Sometimes items are passed after they have been discussed and the fact that the item is carried may not appear in Hansard. Sometimes an item is postponed by unanimous consent, and the fact that it is postponed may not be recorded. There is only one man in this House in a position to state whether an item has been passed or not. He holds the responsible position of Assistant Clerk of the House, and sits beside the Chairman of Committees. When an item is passed it is signed by the Chairman of the Committee and is recorded by the Assistant Clerk. From the Assistant Clerk's record the Votes and Proceedings are compiled, and are signed by the Speaker. That record is carefully checked over by three or four officials before it is printed and placed upon each member's desk the following morning as the official record of the proceedings of parliament. If you are going to place upon the Hansard reporters the responsibility of saying whether an item has been passed or not you will sometimes find a contradiction between the Hansard and the Votes and Proceedings and you will have the same trouble now complained of. Every time there happens to be an apparent contradiction there will be more or less confusion; some hon. members will swear by Hansard, and others will rely only upon the Votes and Proceedings. In my opinion there should be only one official record of the proceedings of the House and that should be the Votes and Proceedings.

Mr. CALDWELL: Do I understand the hon. member to say that in no case is the fact that an item is carried after discussion recorded in Hansard?

Mr. BOIVIN: No. What I said was that in some cases when items are carried the fact is recorded and in other cases the fact is not recorded. It depends a great deal upon the way in which the item is passed; upon the way in which the next item is read; upon whether two or three items are carried together, or whether they are read separately. It is imposible for the Hansard reporter to give an absolute and faithful report unless a certain course is followed. It would be necessary for the Editor of Hansard to delay publication of the day's debates and obtain from the Clerk of the House official confirmation of the passing of the items. If hon. members wish that to be done it will delay the printing and they will not have Hansard on their desks the following morning at ten o'clock. After a prolonged sitting of the House the report is voluminous and the printing of Hansard is consequently delayed. With the proposed change it would be further delayed and not distributed until three, four or five o'clock in the afternoon.

Before I take my seat let me add that I would be very glad to have the Debates com-

mittee consider the suggestion made by the hon. member for Victoria and Carleton (Mr. Caldwell) that discussion in committee be omitted altogether from Hansard. I have often thought that if the reports of the debates were limited to speeches made when the House was sitting with the honourable the Speaker in the chair, and if the reports of debates in Committee of the Whole on a bill, in Supply, or in Ways and Means, were not recorded in Hansard, the rules governing debate would be more strictly adhered to and the sessions of the House would be abridged by at least two months or almost half of their entire duration.

Mr. CALDWELL: Then we should not have a repetition of each by-election when items were considered in committee of Supply.

Mr. BOIVIN: If hon. members deem it advisable to consider this innovation, it can also be discussed when the Debates committee meets next week and then further debated by hon. members when the ordinary motion is made in connection with the report of the committee which must be presented to the House.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. J. H. HARRIS (East York): Will the Acting Postmaster General be good enough to state the exact position of the postal controversy at the present time, more particularly with reference to the city of Toronto.

Hon. CHARLES STEWART (Acting Postmaster General): The situation is clearing very rapidly. In Nova Scotia the mails are moving quite normally, there is no difficulty. The same is true of New Brunswick, of eastern Quebec and of Prince Edward Island. Last night in two instances the trains leaving Quebec were not fully manned. They are all fully manned this morning, and Quebec is in a normal condition. In Montreal a considerable number of the regular men are still out on strike. Their positions are being filled very rapidly, and a great many of the employees who went out are coming back. Just before 12 o'clock to-day I had notification that there were five hundred men trying to break into the office to get employment. In the West there has been no disaffection at all. In Hamilton the men returned this morning. We enlisted yesterday about 130 men in that city, but all the strikers returned to duty this morning so that at the moment we are overmanned in Hamilton. Of course, it is understood that the men who are coming back are returning absolutely without any promise of permanent employment; that is a matter that will have to be adjusted later. We are still short of men in Windsor, but as it is not an important distributing point we are not suffering very much inconvenience. I think that in all the smaller post offices in Ontario at 2 o'clock to-day, with the single exception of Brantford, all the men had returned to work. That statement may not be absolutely correct, but it is a fair summary of the situation. There are about 1,400 men out in Toronto, and in that city we had enlisted yesterday up to midnight about 500 men. At 10 o'clock this morning I issued instructions that no more were to be taken on. I think I can say, with some hope that the statement will be verified that the striking postal employees in Toronto will think better of their action. I have given them until 8 o'clock to-morrow morning to return to duty. If they do not return by that hour they can consider themselves as permanently out of the service.

Mr. MARCIL (Bonaventure): Was the same concession granted to the striking employees in Montreal?

Mr. STEWART (Argenteuil): It applies everywhere. The situation in Toronto is that we have been unable to deliver the mails fully to the business houses, but that is to be expected when 1,400 men walk out almost without a moment's notice. We will, we anticipate, be able to move the eastern and western mails to contiguous points and sort them to-day, so that in a couple of days we should be able to restore the movement of the mails to almost a normal condition. In conclusion I wish to say that as Acting Postmaster General I appreciate very much the patience of the public, and the prompt manner in which the business houses and other institutions that are affected rallied to the support of the department and endeavoured to maintain normal conditions in the movement of the mails.

Mr. HUGHES: Will the men who have been taken on be protected and retained in the service?

Mr. STEWART (Argenteuil): That is a very difficult question to answer at the moment; it will require a great deal of thought. All I can say is that very full consideration will be given to the case of the men who have been taken on even in a temporary way.

SEIZURE OF STEAMSHIP JEANNE D'ARC

On the Orders of the Day:

Mr. DOUCET (Translation): Mr. Speaker, on the 24th of March last, the House ordered the production of all correspondence relating to the seizure and release of the steamship Jeanne d'Arc for a breach of the customs regulations. Would the hon. Minister of Customs (Mr. Bureau) see that his department obeys the order of the House. I think that between March 24 and this day the department should have found the time of producing this correspondence.

Mr. BUREAU (Translation): Mr. Speaker, it is due to an error if the said report has not already been laid on the Table of the House, I was under the impression that it had been and I thank my hon. friend (Mr. Doucet) for having drawn my attention to the fact that it has not. I shall see that it is brought down on Monday.

GOLD AND SILVER MARKING ACT 1913, AMENDMENT

The House resumed from June 19 consideration in committee on Bill No. 176, to amend the Gold and Silver Marking Act 1913 (Hon. Mr. Low), Mr. Gordon in the chair.

On section 2—"Platinum" to be applied only to articles of defined component parts.

Sir HENRY DRAYTON: Has the minister a new bill to-day?

Hon. T. A. LOW (Minister of Trade and Commerce): The hon. member for Brome (Mr. McMaster) said he thought the present draft was fairly clear but thought that the minister should give way to the suggestion of the right hon. leader of the opposition (Mr. Meighen) and allow the matter to stand over for another day, until he could have an opportunity of taking up the matter with the Justice department. It is somewhat encouraging and certainly refreshing, after the long debate which took place yesterday, to be able to come back to the House and say that the Justice department has borne me out in every interpretation which I have placed on section 12. I refer now to Hansard, and I find that my right hon. friend said:

> I should like to get the minister to understand if I could.

This afternoon I will use exactly the same words to the right hon. gentleman (Mr. Meighen) and I say to him, I would like to be able to get the right hon. leader of the opposition to understand, if I could.

This section was first suggested by a resolution by the Canadian Jewellers' Association, assembled in the city of Windsor about a years ago. They submitted a clause which they felt would meet the requirements, and my department sent the clause to the Justice department with instructions to draw up a bill which would meet the requirements. The bill as drawn was sent back to the Justice department this morning, and they inform me that the deputy minister conferred with the assistant deputy minister, and that they decided that the clause was so clear that no ordinary person could misunderstand its meaning. They called in the Deputy Minister of Justice and called in an authority on drafting bills in the department. This gentleman stated that the clause as worded was so clear that he could not see that any change could be made. The clause was inserted in the bill, and, as I said yesterday, it means exactly what it states. Yesterday I stated, in answer to a question of my right hon. friend:

> Ninety-five per cent of the whole article represented as platinum.

Again I said:

> I think it is ninety-five per cent of the whole article. What value would there be in it if the article might contain ninety-five per cent of other inferior metal?

And the hon. member for Victoria and Carleton (Mr. Caldwell) asked the same question, and I think I replied to him that that was the meaning I gave to it. I understand now, after a further reference to the Justice department, that that is what the bill is intended to cover—that the article must contain ninety-five per cent of platinum. Then again, the object of the jewellers, the people who handle platinum goods in this country, was simply that the word "platinum" should only appear on articles that contained ninety-five per cent platinum. Now with reference to "platinum" and "element platinum," there is practically no difference. The words "element platinum" are used to designate the purest kind of platinum, and these words are inserted in the bill in order to afford the greatest protection possible, this being specially necessary when the metal is to be used for scientific purposes. I hope I have made myself clear to my right hon. friend. The Justice department bears out my interpretation, and backs up their interpretation with the statement sent to my department when the bill was submitted to them that the bill stated exactly the intention of the act in the clearest kind of words.

Mr. MEIGHEN: Has the minister the ruling of the Justice department in writing?

Mr. LOW: If my right hon. friend doubts the statement for one minute I will have no trouble in obtaining the opinion in writing. It was stated most emphatically. Sometimes it does not suit my right hon. friend to call for things in writing. I would remind him of an occasion when he debated the wording of an order in council for over an hour. He said that the wording was the most clumsy wording that could be produced,

4 p.m. and yet when it was produced it was found to be the baby of my right hon. friend.

Mr. MEIGHEN: What one was that?

Mr. LOW: Ten years ago.

Mr. MEIGHEN: Can the minister identify it?

Mr. LOW: If my hon. friend will turn up Hansard he can find it.

Mr. MEIGHEN: I have not had much time to come to any practical conclusion. The only one that I have come to is that the minister is absolutely hopeless. He comes to the House now and tells us that the Justice department confirmed every interpretation he gave when the subject was last under debate. Well, if he had produced the opinion of the Justice department and read it to the House, I am quite certain that all members of the House would have understood it. As it is, I fancy that no human being understands what the Justice department's opinion is. If it is that which the minister has set forth;—well, I was going to say it is nonsense, but I will not say that, because I know the opinion of the Justice department is not that; I am quite certain it is not. I have no doubt at all that the Justice department declared the words to mean just what they say; and I do not think there is any difference of opinion in the House as to what they mean. In fact, I do not think that there is any difference of opinion except in the minister's mind, and I am afraid he is still under a misapprehension. My conclusion, therefore, is that the minister is hopeless. The confusion on the last occasion was due to the minister's persistence in the view that the effect of this clause, just as it stands, was to compel all articles, in regard to which the word "platinum" or any compound thereof was used, to be 95 per cent platinum. No one else took that view, not even the hon. member for Battleford (Mr. McConica) who was so sure about the matter.

Mr. LOW: If my right hon. friend will read Hansard of yesterday he will see that he himself thought it meant that.

Mr. MEIGHEN: This minister is more hopeless than ever; I never said that nor did anyone ever think it, except himself. The minister should first understand the Department of Justice and then repeat their opinion accurately to the House. He has not done that. What the Department of Justice told him, I have no doubt, was that the clause means precisely what it says; and what it says is that the platinum, or the substance purporting to be platinum, shall be 95 per cent element platinum or platinum with iridium.

Mr. LOW: That is not correct.

Mr. MEIGHEN: I think the minister had better get the opinion of the department and read it.

Mr. LOW: Read the section; it covers it.

Mr. MEIGHEN: We have all read it and we know what it means; the only one who is confused about it is the minister. Some of the rest of us thought that while there was no question as to the meaning of the clause it would be better if it were worded in the form used before, both because it would be clearer and because that form was the established one. But as to what the effect of this is, there was no difference of opinion in the House, and there is no difference of opinion among hon. members now. The minister seems utterly incapable of getting the meaning of the words. So far as I am concerned, as the minister seems hopeless, he may go ahead and pass the legislation in any shape he wants.

Mr. BOYS: I asked the minister yesterday a question which he did not answer. Is this intended to apply to the whole article or only to the plate surface?

Mr. LOW: It is intended to apply to all articles containing at least 95 per cent pure platinum. Is that not plain enough?

Mr. BOYS: I have the utmost respect for the minister and I do not believe he is trying to evade the question; but certainly he is not answering it. Let me put it to him again. We have a ring, say: Is this clause intended to mean that 95 per cent of the entire ring is to be platinum or iridium? Or, if that ring is plated with platinum, does it mean that 95 per cent of the plate shall be platinum or iridium? That is what I want to know.

Mr. LOW: Ninety-five per cent of the ring must be platinum. Surely, when 400 jewellers in the Dominion have requested that this legislation be passed, and have

stated over the long distance telephone today that it is what they want, we ought to assume that they know what they want better than does the leader of the opposition (Mr. Meighen).

Mr. BOYS: The minister seems to have great faith in the hon. member for Brome (Mr. McMaster), so far as this matter is concerned. At the bottom of the first column on page 3397 of Hansard there appears an amendment which I proposed which would make the point absolutely clear. I closed my remarks, after proposing the amendment, with these words:

> That amendment would make it apply to the whole article and not merely to the plating upon it.
> Mr. McMaster: That clearly is not the intention.

Yet the minister suggests to the House today that there is absolutely no doubt as to what the section means. I ask him to read that comment of the hon. member for Brome, in whose opinion he seems to have so much confidence; that hon. member took a view directly opposite to the construction which the minister puts upon the section.

Mr. LOW: Surely not.

Mr. BOYS: Pardon me, he does. I do not see the sense of this controversy, because we understand now that the intention is that the section shall apply to the whole article. I would suggest, in passing, in place of the cumbersome phraseology 950/1000ths the minister simply use the words 95 per cent. If 95 per cent of the whole article must be platinum or iridium there should be no difficulty about stating that in plain words; surely to goodness the English language is capable of such a use. The minister is positive to-day, but yesterday he was not so sure of himself. He has only to read the answers he made to the questions I put to him, to come to that conclusion; he has only to refer to what the hon. member for Brome and the hon. member for Victoria and Carleton both stated, to be convinced that his position has been wrong. There is not a single member who has spoken on this question who has not taken an opposite view to the minister's. Why not put the thing right? The public should be protected. If you buy a ring and it is said to be platinum you ought to know what you are getting. Do not let any jeweller or storekeeper be in a position to deceive the public. I am glad to hear the minister definitely say that this does mean that 95 per cent of the whole article is to be platinum. The section, however, to put it mildly, is most doubtful, and legislation, to be useful, should leave no room for doubt. I do not mean to say for a moment that what I offered yesterday was the last word on the subject, but I do think that if the minister will adopt my suggestion he will find that it will clarify the intention which he seeks to convey; it will make the section very much clearer than it now stands.

Mr. CALDWELL: I have no wish to delay the bill or to embarrass the minister, my sole concern being to see that both parties to the sale and purchase of platinum articles shall be protected. I quite agree with the minister that the jeweller is completely protected under this bill, but I do not think that the people who purchase the goods will be similarly protected. I direct the attention of the minister to the wording of the section:

> The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly or in part of any metal—

And so on. There is the point I refer to: The section provides that the article may be "wholly or in part" of this metal.

Mr. LOW: I had the opinion of the Deputy Minister of Justice, the Assistant Deputy Minister of Justice, another member of the same branch and the Law Clerk of the House, and these men state positively that the section is clear. Am I to listen to one or two members opposite and take their advice as against the advice of eminent lawyers such as Mr. Newcombe?

Mr. CALDWELL: We are not pitting our opinion against that of the Deputy Minister of Justice on any matter of law, but the interpretation of this section is a matter of common sense. I agree with the minister that it means what it says, but I do not think that the section means what the minister says it means. I think the words "or in part" should be eliminated so that the section would properly read:

> The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other word, to any article of merchandise composed wholly of any metal. . . .

If this section passes as drafted, in my opinion a jeweller would be able to make a ring plated with platinum—if that is possible—and if 95 per cent of the plating was platinum, to stamp it with the word "platinum", and the public might buy the ring believing it was solid platinum. If you cut out the words, "or in part", to my mind there would be no doubt as to what was meant; as the section stands I think its meaning is very

doubtful. I believe, with the Justice department, that this section means just what it says, but apparently they were not able to convince the minister that it does.

Mr. LOW: Surely we agree that the clause means that any article upon which the word "platinum" is stamped must contain at least 950/1000ths, or 95 per cent, of pure platinum.

Mr. CALDWELL: Then why are these three words, "or in part" inserted?

Mr. LOW: The article must be either of pure platinum or of platinum to the extent of 95 per cent.

Mr. CALDWELL: Then why these words: "to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum of which said article consists"?

Mr. McCONICA: Let us suppose the article is a diamond ring set in platinum, then the platinum would be platinum and the diamond would be diamond, and the whole thing would be a ring and would comply with this definition. If it were a shot gun, the barrels would be platinum and the stock would be wood, and it would comply with this provision.

Sir HENRY DRAYTON: No.

Mr. McCONICA: So far as it purports to be platinum it must be 95 per cent pure.

Mr. MEIGHEN: That is all right.

Mr. McCONICA: That is what it says; that is what it means; and that is what it is intended to mean.

Mr. MEIGHEN: If my hon. friend can get that into the minister's head he will be doing well.

Mr. CALDWELL: Following the line of reasoning of the member for Battleford (Mr. McConica), if a bar of half-inch iron is plated with platinum, then it can be stamped "platinum", because the part which purports to be platinum, the plating, will comply with this section. I think the illustration of the member for Battleford should convince the minister that the section does not mean what he thinks it means.

Mr. GUTHRIE: Let me call the minister's attention to a common article of jewellery, a lady's bar pin or bracelet jewelled. The jewels are actually set in platinum, but on account of the expense of that metal the balance of the metallic portion of the pin or bracelet is made up of what is called white gold, bearing the appearance of platinum. Could an article of that kind be stamped "platinum?"

Mr. LOW: Not unless it contains 950/1000ths of pure platinum or platinum in conjunction with iridium.

Mr. GUTHRIE: Then what is the object of the words, as the hon. member for Victoria and Carleton (Mr. Caldwell) points out, "or in part?" The "part" of the article would be the clasp holding the stones, and it might be stamped "platinum" if those words are allowed to remain.

Mr. LOW: The clasp must contain 95 per cent pure platinum or platinum in conjunction with iridium before the word "platinum" is allowed to be stamped upon it.

Mr. GUTHRIE: Then why not strike out those words, "or in part?"

Mr. LOW: If these words were deleted it would not be permissible for the article to contain 5 per cent of any other metal than platinum.

Mr. GUTHRIE: That is what I say, you should not stamp the bracelet or pin "platinum" when the body of it is composed of white gold.

Mr. LOW: Do you contend that it should be 100 per cent pure?

Mr. GUTHRIE: No, I mean the whole article should be platinum, not part of it platinum and part of it white gold. I think the words "or in part" are objectionable there.

Mr. CALDWELL: Possibly this will make it clear to the minister.

Mr. MEIGHEN: It will not.

Mr. CALDWELL: Suppose the section were altered to read, "any article of merchandise composed wholly of any metal of which 95 per cent shall be platinum?" Surely the minister would not contend that, so worded, the section would mean that the article must be 100 per cent platinum. I think that is as clear as day—it is to me. If the section read, "to any article of merchandise composed wholly of platinum unless 95 per cent was platinum," I admit the minister would be right, the article would have to be 100 per cent pure. Worded as I suggest, the clause is short and plain.

Mr. BROWN: Mr. Chairman, I did not take any part in the discussion yesterday, indeed I did not listen very closely to it,

and therefore I approach the matter entirely unprejudiced. I have read the section to see what interpretation I would put upon it. This is my interpretation: That the clause refers to the metal of which, we will say, a ring is composed, and is intended to mean that 95 per cent of the metal which goes into the ring shall either be platinum or platinum in conjunction with iridium.

Mr. LOW: That is right.

Mr. BROWN: That is the meaning I put upon this clause. In other words, whatever metal it is composed of, 95 per cent pure platinum or platinum in conjunction with some other metal shall form part of the whole composition.

Mr. LOW: That is the interpretation which I have placed on the clause for the last twenty-four hours, but my right hon. friend (Mr. Meighen) says I am "hopeless."

Mr. MEIGHEN: Hear, hear.

Mr. LOW: I was not too "hopeless" to be returned for my constituency where I have resided for the past thirty-five years. I think it ill becomes my right hon. friend to interject such objectionable remarks into the discussion of a very simple bill. The interpretation which I have put upon the clause is exactly the same as the interpretation of the hon. member for Lisgar (Mr. Brown).

Mr. MEIGHEN: I admit, though the minister objects to the words, that they only express my feelings. I have done my best to explain to the minister what this section means, but without success; and from what he says I think the Deputy Minister of Justice has made a similar effort, but evidently he did not succeed any better.

Mr. LOW: Cannot I make my right hon. friend (Mr. Meighen) understand—

Mr. MEIGHEN: I understand the section as thoroughly as I ever understood anything.

Mr. LOW: —that any metal offered for sale as platinum, no matter what its metallic contents, must contain at least 95 per cent platinum alone or in conjunction with iridium before the word "platinum" can be stamped upon it. My right hon. friend suggested a few minutes ago that we make it read 100 per cent.

Mr. MEIGHEN: I never said that.

Mr. LOW: I think he referred to some percentage.

Mr. MEIGHEN: No.

[Mr. Brown.]

Mr. LOW: Gold is treated in the same way; it must contain 92½ per cent pure gold before it is allowed to be stamped as gold.

Mr. STANSELL: I think this bill is of sufficient importance for us to understand what it means; otherwise how can we expect the public to understand it? If I followed the minister correctly, he says that the purpose of this bill is that any article offered for sale and stamped "platinum" must contain 95 per cent platinum. Is that correct?

Mr. LOW: That is correct. I am glad that there is at least one member behind my right hon. friend (Mr. Meighen) who understands the meaning of this clause.

Mr. STANSELL: The minister did not allow me to finish. If this bill is for the protection of the public, then I say it does not accomplish that object, and I am not concerned with what the Minister of Justice or any one else may say about it. The bill says:

> Any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum—

And so on. Under that provision an article in which a stone is set may be stamped platinum if 95 per cent of the small portion surrounding the stone is pure platinum; the remainder can be any metal whatever. That is the only interpretation to be put upon it.

Mr. LOW: I am glad at least that the hon. member agrees that it means 95 per cent platinum. I am willing to accept the opinion of such eminent lawyers as Mr. Newcombe, Mr. Edwards, the assistant deputy minister and another lawyer in the Department of Justice, experts in drawing bills, who passed upon this drafting. They say that the clause is as clear as it is possible to make it, and I am going to stand by that opinion of the Justice department.

Sir HENRY DRAYTON: What did my hon. friend submit to the department?

Mr. LOW: I had my deputy go over to the Justice department with me, taking the file of correspondence between the Department of Justice and the Department of Trade and Commerce in connection with the preparation of the bill. I took Hansard with me, showed them some statements of hon. members, and asked them whether the clause was sufficiently clear to carry out the intent of the measure. They said that the clause

clearly provided that the article must contain 95 per cent of pure platinum or element platinum, and that no other words could make it clearer.

Mr. MEIGHEN: Perhaps the minister will do me this justice. I have said quite a little on this bill yesterday and to-day as to what it means. The minister has been trying hard to score on me by some indefinite references to something nobody ever heard of. But he will score wonderfully on me now if he will take from Hansard any sentence I have uttered as to the meaning of this clause and bring to the House a statement from the deputy minister that I am wrong to the extent of a shadow.

Mr. GUTHRIE: I am satisfied that this bill does not carry out the minister's intention; it does not protect the legitimate jewellery trade but will permit improper and unlawful marking of goods as platinum which are not platinum. These words "wholly or in part" in the fourth line are the words that are going to create the difficulty. I cannot do better than give the minister the illustration I gave him before. Take the case of a jewelled bar pin where the jewels are actually set in platinum which is 95 per cent pure. The remainder of the pin, however, is white gold, made to resemble platinum—a very much cheaper metal. That bar pin is "wholly or in part" platinum and can be stamped "platinum" under the bill.

Mr. LOW: Not unless it contains 95 per cent platinum.

Mr. GUTHRIE: The bill says that the article may be "wholly or in part" platinum. Part of that article is pure platinum, complying with the bill, and if an article which is wholly or in part pure platinum can be stamped platinum, someone is going to be misled. I think these words "wholly or in part" should be struck out.

Mr. SPENCE: There seems to be some misunderstanding between the minister and the Justice department. I suggest that this item be dropped. I do not see why the minister should prolong the session a full week discussing his estimates.

Mr. LOW: I beg to correct my hon. friend. I am not prolonging the session. Hon. members opposite are doing it.

Mr. SPENCE: It seems he is endeavouring to prevent his estimates going through.

The CHAIRMAN: We are discussing Bill No. 176, not the estimates.

Mr. SPENCE: I suggest that the minister answer the questions that are put. I have been sympathetic toward the minister. We have been censured for offering so much criticism from this side, yet the minister himself provokes that criticism and I do not propose to sit here and listen to this discussion without saying what I want to say about it.

The CHAIRMAN: Shall clause 2 carry?

Mr. SPENCE: It should not carry at all.

Mr. MACDONALD (Pictou): I think we are all agreed as to what the intent of the committee is with regard to this proposed measure. But the question has arisen whether the measure definitely expresses what the sense of the committee is. The minister says the bill was designed to carry out the clear intent as understood by the committee and that in having the bill prepared he went through the ordinary course followed by every minister in the preparation of legislation. It goes to the Department of Justice, and through them to the officials of the House, who supervise the drawing up of the measure, and the minister comes to the House and says: This is the measure intended to carry out what is now the purpose of the committee. One can argue and define as to the various interpretations that might be put upon a complicated sentence of this kind, but I do think that in view of the discussion that has taken place the committee can very safely adopt the wording that has been arranged by the law officers and advisers whose duty it is to put into language the intention of the minister or the department seeking the drafting of the legislation.

Sir HENRY DRAYTON: I welcome the advent of my hon. friend (Mr. Macdonald) into this discussion, because I appreciate now that we shall be able to get at least some consideration of a legal proposition. The first thing I am going to ask him is whether in his view this act should be made effective?

Mr. MACDONALD (Pictou): We are all agreed about that.

Sir HENRY DRAYTON: Very good. I have got that from my hon. friend, but I could not get it yesterday. Well, if this act is to be made effective, ought platinum to be brought within the application of the act?

Mr. MACDONALD (Pictou): The whole issue, as my hon. friend sees, is whether or not those to whom is entrusted the task of trans-

lating into language the ideas intended to be put on the statute books, have actually done so. My hon. friend says no; the minister is advised to the contrary.

Sir HENRY DRAYTON: I asked the minister what he submitted to the department. He did not submit any legal questions with which he was confronted in connection with this bill. Now I hope the Minister of National Defence is not going to run away.

Mr. MACDONALD (Pictou): I have to go to the Redistribution committee.

Sir HENRY DRAYTON: Then I shall have to fall back upon my hon. friend. I am going to assume that the Minister of Trade and Commerce wants this to be an effective bill.

Mr. LOW: We are agreed on that.

Sir HENRY DRAYTON: Then how can he make it effective unless the limiting clause of the act, which deals with the matters to which the act applies, is amended for the purpose of including platinum? How on earth can it be done? The trouble with my hon. friend is this: He has got just one idea into his head, that was this section, and he got it there with a certain degree of heat.

Mr. LOW: Oh, no.

Sir HENRY DRAYTON: Oh yes; with a certain degree of heat and with the determination to bull the thing through, right or wrong. He goes to the department just with that one thought in his head—because I am sure the Department of Justice are not insane; I felt sure, if the matter was drawn to their attention, just what they would do, and I took particular pains to ask my hon. friend what he submitted to them. What he submitted to them was this correspondence with the jewellers, and this section, and he asked them what this section meant. Now the hon. member for Brome (Mr. McMaster) joined with me absolutely in pointing out the necessity of making other alterations in this bill, and I am going over it again because the minister evidently forgot all about it, and these were the very questions that ought to have gone to the Justice department.

I point out to the minister again that section 2 of the act respecting the manufacture, marking and sale of articles composed of gold or silver, and of gold plated and silver plated ware, is the interpretation clause. You have the interpretation which is given to articles of gold and silver, and most particularly of marks. My hon. friend, when he looks at the statute, will find in regard to marks that that important definition limits it to marks having regard to "quality, quantity or weight of gold or of silver, or quality or kind of gold or silver plate." It does not cover platinum at all. The platinum sections, if they are to be made workable, would certainly be much helped if the interpretation clause were extended to cover platinum. Now that has nothing to do with this section as a section at all; it has to do with the scheme of the legislation as such. My hon. friend says that he wants to make this act an act which will be enforceable. Against whom is this act to be enforceable? The "dealer" means "any person who is a manufacturer of, or a seller of, or dealer in, whether by wholesale or retail, any of the articles to which this act applies". I point that out to my hon. friend, and also the very next section, which gives the list of articles to which this act shall apply. There is not a bit of good in adding at the end a little clause like this without adding platinum to the general administrative sections of the act. The section is perfectly clear:

> This act applies to the following articles when made in Canada by, or sold in Canada by, or imported or otherwise brought into Canada by dealers, that is to say, "gold articles," "silver articles," and "plated articles" of gold or silver.

Surely my hon. friend must see that in order to have this legislation right, that clause providing for the application of the act should also be amended. Now take for example this section:

> When an article is composed of mechanism, works or movements and of a case or cover containing the mechanism, works or movements, a mark applied to the article shall be deemed not to be, nor to be intended to be, applied to the mechanism, works or movements.

I suppose my hon. friend wants that applied to platinum, too?

Mr. LOW: No, they did not ask for that.

Sir HENRY DRAYTON: Then, look at the perfect ridiculousness of the situation we are getting into if that is not to be. If my hon. friend is right in that, a platinum watch cannot be stamped platinum, just like a gold or silver watch is stamped gold or silver, for the simple reason, according to my hon. friend, that the mechanism, works or movement it contains are not composed of platinum. Now, no sane man in the world thinks any one intends that.

Mr. LOW: The word platinum is applied in that case in much the same way as when you take a deed of a building, for instance, that includes all articles that are attached to the floor and walls. I do not think that it

could be said that the works of a watch are a part of the case. If the works are taken into consideration the whole watch may be very much under 925/1000ths parts of fineness, yet the act provides that you can stamp that watch "gold". Am I right?

Sir HENRY DRAYTON: Yes, because there is a provision for that. I asked my hon. friend if he wants a similar provision with regard to platinum, and he says no.

Mr. LOW: What is the provision protecting the watch?

Sir HENRY DRAYTON: I have just read it to my hon. friend. Now my hon. friend says that does not apply, that if you do not have a similar section with regard to platinum you can never stamp "platinum" on a platinum cover. But what my hon. friend says about gold is not quite right. You have a varying standard recognized for gold.

Mr. LOW: I understood a provision to be read fixing a certain percentage in the case of gold.

Sir HENRY DRAYTON: The clause read out had reference to silver and not gold.

Mr. LOW: Well then, take the law in connection with silver.

Sir HENRY DRAYTON: Does my hon. friend want the penal clause as to marks to apply here?

Mr. LOW: Certainly they will apply.

Sir HENRY DRAYTON: Well, as the bill is worded they do not apply. I again point out to the minister that he did not bring to the attention of the Department of Justice the very matters we are discussing upon which the hon. member for Brome (Mr. McMaster) and myself are in absolute agreement.

Mr. LOW: I explained earlier in the day that I had discussed this matter with the Department of Justice. I asked the department for an interpretation of the clause that was under discussion yesterday afternoon, as to whether the meaning of what was intended was plain and clear. The Department of Justice said they did not think it would be possible to make the meaning clearer than the words of the proposed amendment to the act made it. I asked the department what percentage of platinum should be contained in an article to which the name "platinum" might be applied. The department informed me that it was 95 per cent, that as the bill was drawn each article which had the word "platinum" on it should contain at least 950/1000ths, which is 95 per cent. That is the interpretation I received from the Department of Justice together with the opinion that the meaning of the clause referred to could not be made plainer.

Mr. MEIGHEN: As to the plainness of the clause it is a matter of opinion. As to the meaning of the clause it is not a matter of opinion, it is very clear, I would not have risen but I see the Assistant Deputy Minister of Justice here, and I am going to put the two interpretations in his hearing and ask him to give the opinion of the department as to which it is. The question is this: Whether in the case of an article, a single article, as respects which part purports to be platinum and part not, this bill insists that the whole article shall be 95 per cent platinum or part platinum and part iridium, or whether only the part that purports to be platinum shall be 95 per cent platinum and iridum? I want the assistant deputy minister to answer himself.

Sir HENRY DRAYTON: We heard him answer. It confirms what we say ourselves.

Mr. LOW: It was made clear by my deputy and myself that it was 95 per cent of the whole article.

Mr. MEIGHEN: That is not what the assistant deputy minister said at all. I want the minister to answer right out.

Mr. LOW: I am always willing to admit when I am wrong. I am not a lawyer and I accepted the interpretation that it was 95 per cent. My deputy was with me and that was the understanding he got also.

Mr. MEIGHEN: The Assistant Deputy Minister of Justice has just said to the minister that it was 95 per cent only of the part which purported to be platinum, not 95 per cent of the whole article. That is what the assistant deputy minister said; I heard him. That has been our whole contention. I tried to get it across to the minister for hours but I failed.

Mr. CALDWELL: In view of the presence of the Assistant Deputy Minister of Justice I would suggest that the words "wholly or in part" in the fourth line and the words "appearing or purporting to be platinum" in the sixth line be omitted, and I ask the assistant deputy minister whether this would not convey exactly what the minister wants? I am clear as to what the minister wants and I desire to see his wishes carried out, not to

oppose the bill at all, but my contention is the present wording will not accomplish what he wants. If I were a jeweller I should like to see this provision passed into law just as it is.

Mr. LOW: I wish to say further that the understanding I have mentioned was the understanding my deputy and myself gathered of the interpretation of the provision when we left the Department of Justice. Furthermore, my deputy called up the president of the Jewellers' Association, so that there might be no misunderstanding in the matter, and the president said the requirement was that it must be 95 per cent.

Mr. MEIGHEN: I know what the hon. member for Victoria and Carleton (Mr. Caldwell) has in his mind and it is possible he is right. That is merely a matter of legislation. As to what the act means is not even a matter of opinion. There can be no possible two opinions on the subject; the opinion is just what the Assistant Deputy Minister of Justice told the minister a while ago, and what we have contended for for two days. I do not think it is the object of either the Jewellers' Association or the framer of the bill that the whole article should be 95 per cent platinum.

Mr. LOW: That is what he said.

Mr. MEIGHEN: I think the minister is wrong as to that. I think the minister is wrong also as to what has been told him by the Department of Justice. Take a watch that may be studded with platinum—I am not very sure whether they are or not but they may be—it would never do to say that watch must be 95 per cent platinum or iridium but only the part which purports to be platinum or as to which any imitation of it is used. In so far as the existing section is concerned it means what the Justice department want it to mean, there is no doubt about that. The language used as respects silver and also gold could be clearer but its meaning is all right.

Mr. CALDWELL: The right hon. leader of the opposition would not propose to allow a jeweller to mark a watch "platinum" when it was only studded with platinum.

Mr. MEIGHEN: No. I do not know whether platinum is used as a plating or not; but assuming it is, it would be quite lawful for the jeweller to stud a ring with platinum plate providing it had ninety-five per cent platinum or iridium. It would be quite proper to stud a watch with platinum, provided the platinum in it was ninety-five per cent pure; but it would not be proper to call it a platinum watch.

Mr. CALDWELL: He could under the act.

Mr. MEIGHEN: Under this act possibly he could; but under the law generally, without this section he could not, because it is not a platinum watch.

Mr. CALDWELL: Then this would make illegal what is now legal?

Mr. MEIGHEN: Under the present law if a man misrepresents anything he is liable for misrepresentation. He is not liable to the penalties of this act, but to the general penalty, and a jeweller who would say that a ring was platinum when it was only platinum plate would be liable for misrepresentation under the law. I think it is assuming a grave responsibility to make this mean what the hon. minister states.

Mr. CALDWELL: He might not state that it was a platinum ring; but under the law he would be allowed to stamp "platinum" on it if it were ninety-five per cent platinum?

Mr. MEIGHEN: No, this act merely says what he cannot do. It does not deny him the right to do what it defines, but the ordinary law of the land denies that right. This bill comes in and defines a new class of offence.

Mr. LOW: If the bill is not clear, I do not want to press it. I want to make sure.

Mr. CALDWELL: If my suggestion to strike out certain words in the fourth and sixth lines were adopted, would it not make it clear that the article must be ninety-five per cent platinum?

Mr. LOW: The deputy informs me that if the word "platinum" is applied to an article it must be ninety-five per cent platinum. If you bought an article stamped "platinum" you would assume you were buying something which was ninety-five per cent platinum.

Mr. MARTELL: Any person who understands the primary principles of law knows that the contention of the right hon. leader of the opposition (Mr. Meighen) is correct; but I think the wording of the bill is not very plain, and I would suggest that we waste no more time, but postpone the measure and endeavour to get together on it.

Mr. SPENCE: I think that would be the best thing to do. The minister should try to bring the bill back in proper shape. It would take hours in committee to put it in proper form.

Mr. McCONICA: It seems to me that this bill means just what it is intended to mean, and that it will do just exactly what it is intended to do. It provides that a platinum article shall contain ninety-five per cent platinum. If it is composed partly of platinum and partly of some other material, the part that is platinum must be ninety-five per cent platinum.

Mr. MARTELL: If the portion which is required to be platinum is only ninety-five per cent platinum, why should the dealer call the whole thing platinum?

Mr. CALDWELL: That is our point.

Mr. MARTELL: The leader of the opposition is correct in his contention.

Sir HENRY DRAYTON: I am glad that the hon. member for Hants (Mr. Martell) has come to our assistance, because perhaps we can postpone consideration of this measure for the present and deal with other matters. We should make this a workable bill. The only thing to do is to bring platinum within the interpretation clause, which is the second clause. Clause 3 specifically confines the application of the act to gold and silver. The word "platinum" should be inserted in the clause. If we are to go after platinum dealers, we must make it apply to those dealers.

Mr. LOW: The deputy minister informs me that if an article is made up of fifty per cent platinum and fifty per cent something else the word "platinum" could not be applied to it. If the word "platinum" were applied to it, it would have to be applied to a platinum tip or something of that kind. I merely say this to show that this morning I honestly interpreted the remarks of the deputy minister to mean that every article must contain ninety-five per cent of platinum.

5 p.m.

Mr. MEIGHEN: I have never for a moment disputed that the minister honestly sought to interpret what was given to him, but he did not comprehend what it meant, and when one tries earnestly to make a thing clear the minister should not hark back to other matters.

Mr. LOW: The right hon. member should not cast slurs on the department and refer to the minister as "hopeless."

Mr. MEIGHEN: There were no slurs at all; but the minister comes back with something else and talks about divisions between lawyers and so on. The minister is not a lawyer. It is not necessary to be a lawyer to understand this section. If the minister has spent his life in other lines and is not accustomed to this class of work, he should be a little more patient. I think this lesson to-day will teach him in future to be more patient, and not get into difficulties.

Mr. LOW: The reason I relied on the Justice department and the law clerk of the House was because I was not a lawyer and knew nothing about it. The Assistant Deputy Minister of Justice now tells me that when articles are composed of fifty per cent platinum and fifty per cent other material the word "platinum" could not be applied to the whole. I ask that the section be allowed to stand.

Section stands.

Progress reported.

COMPANIES ACT AMENDMENT

Hon. A. B. COPP (Secretary of State) moved the second reading of Bill No 118, to amend the Companies Act.

Motion agreed to, bill read the second time, and the House went into committee thereon Mr. Gordon in the chair.

On the short title.

Mr. MEIGHEN: I cannot remember the minister ever having given an explanation in detail of the general purpose of the bill.

Mr. COPP: I have not made any general statement inasmuch as the bill involves a good many minor amendments which are intended to correct certain anomalies in the act. The act has been amended from time to time and the language of the various amendments is not uniform; the majority of the amendments are intended to rectify that. There are six or seven new sections which can be studied as we proceed. The amending bill has been considered by the leading corporation lawyers in different parts of the Dominion in consultation with the law officers of the department and the amendments which are now suggested are the result of those conferences. Last year a good many similar amendments were passed in this House but they were dropped in the Senate owing to pressure there; I understand that they were omitted not because of any particular objections to them but wholly for the reason I have stated. In the hurry and rush they were scuttled so to speak. Since that time and during the present session very strong representations have been made by lawyers who frequently resort to the act, to have these amendments carried. The amendments are intricate but I am sure that legal gentlemen in the committee will be able to follow the explanatory notes.

Mr. WOODSWORTH: What protection is given the public in relation to what is commonly called watered stock? Is any definite provision made in that regard?

Mr. COPP: Provision is made in the act itself with regard to watered stock but there is nothing in these amendments on that subject.

Mr. WOODSWORTH: Is there adequate protection in the act to safeguard the people against watered stock?

Mr. COPP: Yes, in the act itself.

Mr. WOODSWORTH: What is it?

Mr. COPP: I cannot tell the hon. gentleman offhand just what the provisions are but he will find on page 13 of the act just how the matter of watered stock is provided for.

Mr. CALDWELL: I am not a lawyer and am therefore unable to discuss the legal aspect of this bill. I think the House made a mistake in allowing the bill to go into committee without some consideration of the general principles involved. The bill was moved into committee before I had an opportunity of looking it up and I submit that we should have some explanation on the part of the minister of its general principles. Here a question has come up with regard to the issuing of watered stock; the minister should explain the principal features of the bill including this matter.

Section agreed to.

On section 2—When company may be created a private company.

Sir HENRY DRAYTON: What is the distinction between a private company and a general company?

Mr. COPP: This amendment is simply to conform with subsection 3 of section 43 of the act.

Sir HENRY DRAYTON: I have not the act here.

Mr. COPP: Subsection 3 of section 43 refers to private companies but there is no provision for the creation of private companies. This section provides the necessary machinery for constituting such companies.

Sir HENRY DRAYTON: I understand that, but what is the real distinction, for the purpose of the act, between a private and an ordinary company.

Mr. COPP: The difference consists in the limitation of shares to the public in the case of the private company.

[Mr. Copp.]

Mr. MARTELL: I have not had much to do with companies of that sort but I should think that a private company would differ from an ordinary company only in this, that whereas in the case of the general company the stock may be sold to the public generally, the stock in a private company is restricted to a number of shareholders, and there may be certain restrictions in the method of transfer. I am not attempting to explain the distinction, but that is the only difference that I can see.

Sir HENRY DRAYTON: The hon. member's explanation would seem to be right. But what is the public policy that suggests the necessity for a private company? What is the object of this legislation and what is to be gained by it?

Mr. COPP: I am instructed that it applies to a company whose stock is not offered to the public but is held by, say, the members of a family—a private company. That is one illustration.

Mr. MARTELL: That can be done today under the Canada Companies Act. As a general rule a certain number of persons, three in Nova Scotia, five in the other provinces, can secure incorporation and their powers are set forth in the memorandum of association which they file, which powers must be in consonance with what the general act authorizes. Supposing these people get a charter for a company with a capitalization of $50,000, in one dollar shares, there is nothing to prevent them from owning those shares.

Mr. WOODSWORTH: In the case of insurance companies we have a superintendent of insurance who insists upon certain requirements being complied with before a company can be organized. Is there any similar scrutiny exercised in regard to the formation of such a company as this?

Mr. COPP: The applicants for the incorporation of a company must comply with the provisions of the Companies Act.

Mr. WOODSWORTH: Is there any scrutiny by the minister's department of any of the statements made by the promoters?

Mr. COPP: The promoters must file their prospectus with the Department of the Secretary of State.

Mr. WOODSWORTH: Then you take the statements in the prospectus at their face value?

Mr. COPP: The department do not scrutinize the prospectus particularly, but those

who are considering the advisability of buying stock may come to the department and study the prospectus. They must use their own judgment in regard to its contents.

Mr. MARTELL: This does not apply to insurance companies, but only to ordinary trading companies.

Mr. COPP: Yes.

Mr. WOODSWORTH: My thought was not that insurance entered into this, but I said that in the case of insurance companies the public has some guarantee of their soundness. Is there any similar guarantee in the case of these companies?

Sir HENRY DRAYTON: These private companies are prohibited from inviting the public to subscribe for any debentures or shares. This section applies to a limited partnership form of company, and I do not see any objection to it.

Mr. CALDWELL: While the prohibition applies to invitations to the public to subscribe for debentures or shares, does it prevent a shareholder from selling his stock to the public?

Mr. COPP: He can sell stock, but only to a limited extent.

Mr. MARTELL: You are putting in a prohibition so the incorporators can keep the stock within their own narrow bounds. But the law to-day would allow it to be done by agreement among the shareholders themselves.

Section agreed to.

On section 3—Applicants.

Mr. WOODSWORTH: Is there any provision that the provisional directors shall hold office for any particular length of time, or that they have any real interest in the concern?

Mr. COPP: Under the provisions of the Companies Act provisional directors are appointed until such time as the company is organized and the shareholders elect their directors. This amendment makes no change.

Section agreed to.

On section 4—Applicants.

Sir HENRY DRAYTON: This section appears to me to be intended to make it clear that the provisions apply only to companies without share capital; is that it?

Mr. COPP: Yes.

Sir HENRY DRAYTON: They were intended to apply only to companies with share capital. If that be the case, it is to get rid of the possibility of error?

Mr. COPP: Yes.

Sir HENRY DRAYTON: There are a lot of subsections. What is the idea in subsection (6)? It is pretty hard to follow that.

Mr. COPP: It is to correct a clerical error. In the old act it appears as subsection 2; it should be subsection 3. That is the only change.

Section agreed to.

On section 5—subsection (1)—Issue of shares without nominal or par value.—Statement as to preferred stock.

Sir HENRY DRAYTON: What does the minister say about this?

Mr. COPP: The note gives an explanation of the amendment. It refers to the formation of a company issuing stock without par value. A similar provision has been in force in the United States and in the province of Ontario for a number of years, and corporation lawyers inform me that it is working very satisfactorily. We are simply bringing our act into uniformity with it.

Mr. MARTELL: Is there a similar clause in the English Companies Act?

Sir HENRY DRAYTON: Our original legislation, if I recollect aright, was based on legislation of the state of New York so far as this no money share amendment is concerned.

Mr. COPP: It was adopted in 1897.

Sir HENRY DRAYTON: I do not think England had covered it in their General Companies Act.

Mr. COPP: No.

Sir HENRY DRAYTON: I understand that all that is being done here is to ingraft on the American statute: we took over the amendments which the Americans have found it necessary to make.

Mr. COPP: That is right.

Subsection agreed to.

On subsection (2)—Equality of shares.

Sir HENRY DRAYTON: That is in the same position I assume?

Mr. COPP: Yes.

Subsection agreed to.

On subsection (3)—Shares to be allotted at price fixed by board or letters patent.

Mr. CALDWELL: In paying a dividend would these shares without par value be entitled to participation the same as shares with par value?

Mr. COPP: They might declare a dividend on the value of the shares.

Mr. CALDWELL: But they are without par value.

Mr. COPP: They do not pay any percentage dividend on the shares but if the company make sufficient to pay dividends they may pay at the rate of so much per share.

Mr. CALDWELL: I would like to get that clear. Do these shares have the same right to dividend as shares in the same company that have a par value?

Mr. COPP: It depends on whether the company are making enough money to pay the dividend.

Mr. CALDWELL: Under this act we are allowing the company to issue non par value shares. Does that mean shares of stock for which no money is paid?

Mr. COPP: No. We issue a charter to the company for no capital stock but for a certain number of shares and the directors fix the values of the shares and sell them accordingly. That value may also be fixed by the charter.

Sir HENRY DRAYTON: The only difference between this arrangement and the provision under which when a company is incorporated it has so many thousand shares of stock is that the shares here have no money value. Theoretically the entity is split up into say a thousand different shares and the owner of each share is entitled to one-thousandth part as an owner of that property. In the other case he is entitled to a share which represents so much in money value. That value is supposed to be properly related to the value of the property it represents though that of course is not always the case. In this instance there could be a multiple of shares; there is no question about that. But these shares with no money value represent nothing but an individual interest in the assets of the company. The company is incorporated, and at the incorporation the price at which the shares shall be disposed of may be arranged. On the other hand—I speak now subject to qualification—the directors may by by-law say at what price the shares shall be sold. Obviously therefore, when you get to that point you cannot declare a definite dividend of a certain per cent because there is no definition of money value in the hands of the shareholders on which the dividend may be computed. So what is done is this; the directors define what shall represent the amount available for the distribution of profits, and as soon as the amount so available is declared each one of these shares of no money value is entitled to an amount proportionate to the relation which it bears to other shares outstanding.

Mr. CALDWELL: That is quite clear. A company gets a charter to do business. There is no capital stock, but they have say a thousand shares of no money value. Does this mean that the company may issue only a thousand shares? Because if they could continue issuing their shares it would mean that the shareholders would not be entitled to the one-thousandth part.

Mr. COPP: They may issue only the thousand.

Mr. CALDWELL: Then the earnings of the company are divided pro rata among the thousand shareholders, or if a loss is made it is borne proportionately by those shareholders?

Mr. COPP: Yes.

Mr. SHAW: I think there are some members who would like to know from the minister what steps are taken to protect the public so far as the sale of shares is concerned. I think this is the matter which has been referred to by the hon. member for Centre Winnipeg (Mr. Woodsworth). I am now referring particularly to the various types of provincial legislation. In some of our provinces we have what is sometimes denominated as "blue sky legislation," providing certain safeguards to the public in the event of the sale of shares by corporations. What provision is made by the Dominion under the Companies Act for the protection of the public in a similar manner?

The CHAIRMAN: The discussion must be strictly relevant to the clause under consideration. This matter could be considered under section 14.

Mr. SHAW: Or section 8.

The CHAIRMAN: Section 8 covers only commissions.

Mr. SHAW: It goes further and deals with shares offered to the public.

Section agreed to.

On section 6—Company may obtain change of name.

Sir HENRY DRAYTON: What does this involve?

Mr. COPP: The wording of several sections of the act providing that certain transactions may be effected by a two-thirds vote is not uniform, and doubt has arisen whether "two-thirds vote" means two-thirds of all the issued capital or two-thirds of those present at the meeting of shareholders. The only change made here is that there must be a two-thirds vote of the shareholders present.

Sir HENRY DRAYTON: Present and voting.

Mr. COPP: Yes.

Section agreed to.

On section 7—When company may surrender charter.

Sir HENRY DRAYTON: I suppose this is to make it more certain that the shareholders' rights are considered.

Mr. COPP: It is the same provision we have had for fifty years. A company may get a charter and may never organize, and the practice now is that they may return their charter to the department. This is to provide that they may return the charter under the act, provide the debts and everything of that nature are taken care of.

Sir HENRY DRAYTON: I do not see anything about insolvency here. What happens in that case?

Mr. COPP: They cannot surrender their charter if they are insolvent.

Sir HENRY DRAYTON: But suppose a company goes out of business entirely as a result of insolvency, what happens? Has the Secretary of State still to send out notices and get them back again like he did before?

Mr. COPP: They would be wound up in the regular way.

Sir HENRY DRAYTON: They might or might not. I thought the idea of this was to save the department sending out forms.

Mr. COPP: That is true, but the charter can only be returned after the debts are all paid.

Mr. MARTELL: They have to comply with all these terms before they can be liquidated.

Mr. CALDWELL: If a firm goes through the bankruptcy court, what becomes of their charter?

Mr. COPP: The order puts it out of business.

Mr. CALDWELL: Automatically?

Mr. COPP: Yes, but we are dealing here with the case of a company being wound up.

Mr. CALDWELL: When a charter is surrendered, must it be with the unanimous consent of all the shareholders in the company? While the deputy is looking that up, I would like to give my reason for asking that question. We realize, of course, that in an incorporated company an agreement made by any authorized member of the firm binds every member of the firm, and that brings about the necessity of having the charter surrendered when they cease to do business as an aggregation. Take a hypothetical case. Suppose a company of three men is incorporated.

Mr. MARTELL: My hon. friend is not quite correct. An incorporation is not a firm, and the shareholders of the company are not bound unless the agreement is within the four corners of the memorandum of association.

Mr. CALDWELL: But until the charter is surrendered they are still a company in the eyes of the law, and any business contracted by any member of the firm is binding on the firm. Suppose there is a firm of three members and two of them wish the charter dissolved or surrendered, and the third objects. What is the procedure?

Mr. MARTELL: If they cannot come to terms they would apply to the court, and the court would give some guarantee as to the rights of the minority in order that the company might be wound up, if the petition was for winding it up.

Mr. CALDWELL: I presume that is correct, but I would like to have the minister's opinion.

Mr. COPP: If there was any such dispute there could not be a surrender of the charter, not unless everything was agreed upon and closed up by the shareholders, and the debts all paid.

Mr. CALDWELL: Then it must be by unanimous consent?

Mr. COPP: Yes.

Mr. CALDWELL: Just what procedure would you follow in the case I cited, where two members wanted to surrender the charter, and the third did not?

Mr. COPP: If anything was done, it would have to be done by departmental regulation. There is nothing in this section providing for it.

Section agreed to.

Mr. COPP: Since the bill was drafted a suggestion has come to us that we should add a new section, to be known as section 8, incorporating the provisions of the Companies' Act of Ontario. At the present time, a company when applying for a charter has to put in a long list of the objects of the company. This entails a great deal of work and expense in preparing the petition and sending it forward. Then after the petition comes to the department a charter has to be drafted and recorded, notice is printed in the Canada Gazette, and finally there is published in the Gazette a very long list of the objects of the company. The cost of printing the Canada Gazette has increased about 50 per cent within a short time, and we have found that in the case of some companies we are incorporating it is costing us more for the publication of these notices than we receive in fees.

Sir HENRY DRAYTON: That is terrible.

Mr. COPP: We thought that by making provision here giving the company general powers, it would save a great deal of work and expense. The amendment is very long, and I will send a copy of it over to the hon. member for West York.

The CHAIRMAN: It is proposed to amend the principal act by inserting the following section, as a new section 8, after section 28:

28A. (1) A company shall possess as incidental and ancillary to the powers set out in the Letters Patent or Supplementary Letters Patent power:

(a) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights;

(b) To acquire or undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorized to carry on, or possessed of property suitable for the purposes of the company;

(c) To apply for, purchase or otherwise acquire, any patents, licenses, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired;

(d) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same;

(e) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company;

(f) To enter into any arrangements with any authorities, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;

(g) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company (or its predecessors in business) or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object;

(h) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit the company;

(i) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade;

(j) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;

(k) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons;

(l) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading warrants and other negotiable or transferable instruments;

(m) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company;

(n) To apply for, secure, acquire by assignment, transfer, purchase, or otherwise, and to exercise, carry out and enjoy any charter, license, power, authority, franchise concession, rights or privilege, which any government or authority or any corporation or other public body may be empowered to grant and to pay for, aid in and contribute towards carrying the same into effect, and to appropriate any of the company's shares, bonds and assets to defray the necessary costs, charges and expenses thereof;

(o) To procure the company to be registered and recognized in any foreign country and to designate persons therein according to the laws of such foreign country to represent this company and to accept service for and on behalf of the company of any process or suit;

(p) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital, or any debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business;

(q) To raise and assist in raising money for, and to aid, by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or other securities or otherwise, any other company or corporation with which the company may have business relations, and to guarantee the performance of contracts by any such company, corporation, or by any such person or persons;

(r) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations;

(s) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company;

(t) To do all or any of the above things as principals, agents, contractors or otherwise, and either alone or in conjunction with others;

(u) To do all such other things as are incidental or conducive to the attainment of the above objects.

(2) All or any of the powers set out in subsection 1 may be withheld by the letters patent or supplementary letters patent.

Sir HENRY DRAYTON: Where are the forms taken from?

Mr. COPP: From Palmer's Company Law.

Mr. SPENCE: The minister was criticising the cost of advertising in the Canada Gazette. Why does he advertise there? Is it for the purpose of wanting nobody to see it?—because nobody ever reads it.

Mr. COPP: It is the official organ for publishing these notices.

Mr. SPENCE: It is a poor organ. Just a few members of parliament see it.

Amendment agreed to.

On section 8—Commission for procuring subscriptions.

Sir HENRY DRAYTON: I think we should hear from the minister as to this section.

Mr. COPP: This section is copied verbatim from the English Companies' Act. Under the present act a company may pay a commission to brokers for the sale of stock or work of that nature. The present amendment broadens the effect so that companies may sell their own stock and allow a commission to the purchaser.

Sir HENRY DRAYTON: To what extent may they allow commissions?

Mr. COPP: The payment will be limited by the charter entered into.

Sir HENRY DRAYTON: What is the practice with respect to limitations?

Mr. COPP: I am informed that it depends on the nature of the company. A mining company, for instance, would have to pay a much larger commission than other companies. The companies make the best arrangement they can with brokers for selling their stock.

Mr. MARTELL: They file a statement with the department declaring that certain commissions will be paid for disposing of the shares. That is in accordance with the English act.

Sir HENRY DRAYTON: Not only the English but the Ontario act also. It must be shown in the prospectus that so much commission has been paid. I was just wondering what the general administrative idea of the department is. This becomes a depreciation of capital before the company is earning anything; these commissions have to be paid out of capital. In the case of mining companies you have to deplete your capital a good deal in order to sell your stock. What maximum would be allowed in a case of a financial or manufacturing company, for example, and then again in the case of a mining company.

Mr. COPP: In the case of a mining company, operating under the Ontario act, I am informed the maximum is 25 per cent and it runs down to probably 6 per cent according to the character of the company.

Sir HENRY DRAYTON: Then what would it be in the case of a manufacturing company?

Mr. COPP: I am informed by the Under Secretary of State that the maximum runs from about 6 per cent, up to 25 per cent in the case of mining companies.

Sir HENRY DRAYTON: In the case of manufacturing companies that maximum would not be allowed?

Mr. COPP: No.

Mr. CALDWELL: The maximum must be set forth in the letters patent?

Mr. COPP: Yes.

Mr. CALDWELL: Then it cannot be exceeded?

Mr. COPP: It must be stated in the prospectus too, and it cannot be exceeded.

Sir HENRY DRAYTON: It should be shown in the advertising. Is that not looked after in the section?

Mr. COPP: That is a matter of regulation.

Mr. CALDWELL: Is there any "follow up" by the department to see that they do not exceed the amount, or is it left to their sense of honesty?

Mr. COPP: The maximum commissions they pay are set out in the prospectus.

Mr. CALDWELL: And the department has a "follow up" to see that is done?

Mr. COPP: No, that is for the individual himself to see about. The department cannot follow it up.

Mr. MARTELL: The individual buys on the basis of the prospectus and he knows what he is doing?

Mr. CALDWELL: We say that the capital shall not be depleted below a certain amount for the purpose of selling stock. I think it is up to the department to see that is carried out. We pass an act and we say "You are selling stock to the public and you must not deplete your capital." They want to sell stock and if they put up a big amount in order to do so it would not be worth so much. I can see where there might be a very great taking in of the public in matters of that kind.

Mr. COPP: If the details are set out in the prospectus I do not see that there can be much ground of complaint.

Sir HENRY DRAYTON: As I recollect the act, I have not read it recently, the prospectus is the basis of all advertising. The prospectus must show the maximum amount of commissions which may be paid, and it is an offence under the act to advertise stock for sale without doing this.

Mr. MARTELL: If the prospectus of the company is misleading that governs a person's liability for his call.

Subsection agreed to.

On subsection 3—Payment of brokers.

Sir HENRY DRAYTON: This is not a case of selling stock to a broker, is it?

Mr. COPP: If they sell stock through a broker they pay that broker.

Sir HENRY DRAYTON: In that case why is he not getting a commission?

Mr. COPP: The broker will get the commission.

Sir HENRY DRAYTON: I think we should have a little explanation about this subsection.

Mr. COPP: The subsection reads:

> Nothing in this section shall affect the power of any company to pay such brokerage as it has heretofore been lawful for a company to pay, and a vendor to, promoter of, or other person who receives payment in money or shares from a company shall have and shall be deemed always to have had power to apply any part of the money or shares so received in payment of any commission, the payment of which, if made directly by the company, would have been legal under this section.

This is taken word for word from the English act.

Mr. HANSON: Has there been any limitation of commissions heretofore?

Mr. COPP: Yes, there was always a limitation.

Mr. CALDWELL: That is when the commissions are paid out of capital. There is no limit when paid out of earnings, I take it?

Mr. COPP: That is provided for in the charter.

Mr. HANSON: What is the limitation under the act?

Mr. COPP: The amount to be paid for commissions is fixed in the charter.

Mr. HANSON: The Dominion act provides for a memorandum of association. That means simply subscriptions for the initial shares. That is all it amounts to.

Mr. MARTELL: My hon. friend knows that the memorandum of association sets out the objects of the company. The articles of association set out what can be done among the people who are shareholders.

Mr. HANSON: That is true of the Nova Scotia act, but not in regard to the Dominion act.

Mr. MARTELL: It is true of the English act.

Mr. HANSON: Yes, but not of the Dominion act. You apply by a petition for the formal letters patent, and that is accompanied by an application for letters of association.

Mr. MARTELL: The memorandum which accompanies the petition is practically em-

braced in the charter of the company afterwards. They say they want power to do so and so, and they enumerate these powers. The procedure here is very much the same.

Mr. HANSON: It has the same effect. What is the limitation of commission in the statute now on a sale of shares?

Mr. COPP: It is not limited by statute.

Mr. HANSON: How is it limited under this bill, and what is the limitation?

Mr. COPP: This amendment provides for that, and we are adopting the English act authorizing commissions. My hon. friend knows that these commissions are being paid now, and there has been no authority for it.

Mr. HANSON: No limitation in the present statute?

Mr. COPP: No, and no authority for it. But this amendment adopts the English act entirely, which provides that commissions may be paid; and in the charters granted under this provision the limitations will be fixed.

Mr. HANSON: By regulation?

Mr. COPP: By regulation.

Mr. HANSON: You are legalizing what has been the practice, but you are going to put a limitation on it?

Mr. COPP: Yes.

Mr. HANSON: Is the minister going to fix any arbitrary limitation? What is proposed to be done? That is an important point.

Mr. COPP: We discussed this question before my hon. friend came in; and it has been suggested by the departmental officers that different kinds of companies should be given different authority for paying commissions, some commissions being larger and some smaller. For instance, a mining company might pay twenty-five per cent. That is a speculative company. Probably the commission would run from five to ten to twenty-five per cent, according to the company.

Mr. CALDWELL: It would depend on how hard it was to sell the shares.

Mr. HANSON: What is the object in fixing a limit at all? Is it not a matter to be arranged by the company after all?

Mr. COPP: It may be.

Mr. HANSON: This may be a good provision, I am not objecting at all. I do not think we should be so much concerned about people buying speculative stock. Let them buy and get their fingers scorched if they want to.

Mr. MARTELL: If there is no misrepresentation in the prospectus and no fraud or deceit, then a person knowing that he was buying speculative stock, if he got stung, should take the consequences.

Progress reported.

At six o'clock the Speaker resumed the chair, and the House took recess.

After Recess

The House resumed at 8 o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 105, respecting a patent of Thomas Williams Pritchard.—Mr. Boys.

Bill No. 129, to incorporate Dominion Electric Protection Company.—Mr. Marcil (Bonaventure).

Bill No. 167, to amend the act to incorporate the Board of Presbyterian College, Halifax.—Mr. Duff.

Bill No. 170, for the relief of Philip R. Marshall Palmer.—Mr. Duff.

Bill No. 171, for the relief of George Felix Simpson.—Mr. Ladner.

Bill No. 177, respecting certain patents owned by The Canadian Sumner Iron Works, Limited.—Mr. Stevens.

Bill No. 178, for the relief of Katherine Gossage.—Mr. Ross (Kingston).

Bill No. 179, for the relief of Alice Moore.—Mr. Martell.

Bill No. 180, for the relief of Alexander Cruikshank.—Mr. Church.

Bill No. 181, for the relief of Francis Albert Armstrong.—Mr. Martell.

Bill No. 182, for the relief of Edythe Kathleen Victoria Canniff.—Mr. Hocken.

Bill No. 183, for the relief of Helen Tuer.—Mr. Jacobs.

Bill No. 185, for the relief of Hilda Maud Ward.—Mr. Hocken.

Bill No. 186, for the relief of Rosie Race.—Mr. Harris.

SECOND READINGS

Bill No. 193, for the relief of Alfred Edward Briggs.—Mr. Simpson.

Bill No. 194, for the relief of Louisa Elizabeth Smith.—Mr. Martell.

COMPANIES ACT AMENDMENT

The House again in committee on Bill No. 118, to amend the Companies Act—Hon. Mr. Copp. Mr. Gordon in the chair.

The CHAIRMAN: Section 8, is amended to read as section 9, subsection 3,

Section agreed to.

On section 9—Repeal.

The CHAIRMAN: This section is now amended to read as section 10.

Sir HENRY DRAYTON: What is the section that is dropped?

Mr. COPP: It is subsection 2 of section 30 of the principal act, as follows:

Notice of the situation of such principal office and of any change therein shall be published in the Canada Gazette.

It is felt that this provision is no longer necessary.

Mr. CALDWELL: Is provision made for publication of notice of the change in the local press, for instance?

Mr. COPP: No, the shareholders have to be notified of the meetings in the regular way, so that it is not necessary to publish the notice in the Canada Gazette.

Section agreed to.

On section 11—How private company may become public company.

The CHAIRMAN: This will now be known as section 12.

Sir HENRY DRAYTON: Is there any need for publicity here as in the case of the incorporation of the original company? It is quite a change, that of making a private company into a public company that can sell by prospectus or otherwise.

Mr. COPP: It is only necessary that the prospectus be filed. Notice is not required.

Sir HENRY DRAYTON: The original incorporation is advertised in the Gazette.

Mr. COPP: Yes.

Sir HENRY DRAYTON: My point was that in view of the fact that there is a radical change in the character of the company, and its powers are being extended, whether it should not be advertised as in the case of an original incorporation. It is a matter of administration, and I would be guided very much by what Mr. Mulvey says.

Mr. COPP: I think it is worthy of consideration. I think it would be well to have it advertised.

[Mr. Martell.]

Sir HENRY DRAYTON: I do not want to hold up the bill. Mr. Mulvey might have an amendment made on the third reading if he thinks it wise.

Mr. CALDWELL: Take the case of a private company with non par value stock. What would the procedure be if it was turned into a public company?

Mr. COPP: If they incorporated without par value, they could continue.

Mr. CALDWELL: In the case of companies without par value stock, their liability is not limited.

Mr. COPP: Oh yes.

Mr. CALDWELL: The par value stock company is limited, but not the non par value stock company. In what way is it limited? A limited company is limited to the value of its stock.

Mr. COPP: The stock is sold and paid for.

Mr. CALDWELL: There is no further liability.

Mr. COPP: They pay up all they agree to pay.

Mr. LOW: The common stock is of value. Did I understand my hon. friend to say it was of no value?

Mr. CALDWELL: We were discussing before recess companies in which the stock was issued without money value.

Mr. LOW: There is no par value to them.

Mr. CALDWELL: I was asking what the procedure would be in the case of a company of that kind which was turned into a public company. Their stock must remain as it was before. If it was non par value before, it would continue the same.

Mr. COPP: Their liability would be what the stock was sold for, or what they agreed to pay.

Mr. CALDWELL: Suppose they go into liquidation, and their assets do not meet their liabilities?

Mr. COPP: If their stock is fully paid up, that ends it. If it is not paid up, they will have to pay the liquidator what they agreed to pay for the stock.

Mr. CALDWELL: But there is no value set on that stock. It is non par value stock.

Mr. COPP: But they pay for it.

Mr. CALDWELL: That is, the directors set a price on it, and if they have paid the company that, their liability ceases?

Mr. COPP: Yes.

Section agreed to.

On section 12—Supplementary letters patent granted.

The CHAIRMAN: This now becomes section 13.

Sir HENRY DRAYTON: That question of advertising might be considered in connection with this clause also.

Mr. COPP: We are providing for it here.

Sir HENRY DRAYTON: Then it is all the more necessary in the other case.

Section agreed to.

On section 13—Requirements as to particulars in prospectus.

Mr. CHAIRMAN: This now becomes section 14.

Mr. GUTHRIE: This is to avoid the publication of the whole prospectus, I understand, and to allow the publication of a summary?

Mr. COPP: Yes.

Sir HENRY DRAYTON: The former law was that everything had to go in, and if they did not put in everything they took the risk of liability. Now under this clause they may contract. I wonder whether the under-secretary has considered whether or not in cases of contraction it would be in the public interest to have that contracted form submitted for approval to the department, or whether that would make too large a volume of work. This is removing a substantial safeguard, which may or may not be properly observed. It is leaving it a bit loose. It is leaving it a matter for construction afterwards, whether the information has been given as indicated, and also leaving it open as to the extent of the information to be given in the classes indicated. Maybe it would be too big a matter of administration to undertake, but if it is not, it would be in the public interest, I think, to have the summary approved by the department.

Mr. GUTHRIE: I think the clause is rather specific. They have to publish a summary of the main objects of the company, as set forth in the letters patent, and of the capital stock provisions, and of any special clauses therein, with the names, descriptions, and addresses of the signatories to the petition for incorporation, and the number of shares subscribed for by them respectively; the number of founders' or management or deferred shares, if any, and the nature and extent of the interest of the holders in the property and profits of the company. I think that is a pretty full summary of everything that I can think of, and if that section is complied with, there should not be any danger.

Mr. CALDWELL: To my mind there is one very important thing left out, and we were discussing this before dinner; that is the amount of commission that is allowed to be paid out of capital for the selling of stock. That is a very important matter, and I would like to point out to the minister how this might work out. Suppose a company had a quantity of stock still unsold and they got into rather a difficult position; there was the possibility of liquidation, we will say, and they conceived the idea of putting the balance of the stock on the market. They might say: It will pay us to allow fifty per cent commission on the sale of this stock; if we get fifty per cent we shall save something. I think the public should know whether they are allowed to pay fifty per cent of the capital for selling the stock, because it is the public who are buying the stock, and it would be an indication to the public that the company was in rather a difficult position.

Mr. COPP: In the charter the amount of the commission is limited to twenty-five per cent

Mr. CALDWELL: It is provided that that shall be set forth in the prospectus, and I think it should be provided that it shall be set forth in the summary also.

Mr. COPP: We are only amending the first paragraph, which provides for the prospectus. We are not interfering at all with the commission that can be paid. That is limited to twenty-five per cent.

Mr. CALDWELL: I am not finding fault with that, but I say it should be set forth in the summary as well as in the prospectus. We have provided that in the case of the prospectus, and here we are providing for a summary of the prospectus to be printed and issued to the public, and in that summary this very important point is left out. It is in the prospectus, I admit, but the company is allowed to substitute a summary of the prospectus for the whole prospectus, and this very important point does not appear in the summary.

Mr. COPP: The question of what shall be in the prospectus is not interfered with by this amendment.

Sir HENRY DRAYTON: I was in difficulty in defining to myself what a special clause was. There might be a variety of ways in which one could well hold a clause to be special. It would be something upon which a good many people might differ.

Mr. COPP: Our only idea is to make the act as workable as possible, as my hon. friend, of course, realizes. The deputy informs me that he thinks this provision will cover the case and protect both the company and the stockholder.

Sir HENRY DRAYTON: What is the meaning of the word "special" in this section?

Mr. COPP: It has to do with the clause relating to share warrant, preference shares or shares of that kind.

Sir HENRY DRAYTON: That would be a special clause then relating to the issue of stock?

Mr. COPP: It would have to do with the transfer probably.

Sir HENRY DRAYTON: I think this is a matter of sufficient importance to have an addition to this clause which will leave it in the hands of the department to issue regulations in connection with summaries under the section for the purpose of seeing that every one shall know what he is doing. I do not want to cumber up the legislation but it is certainly open to question what the word "special," there means. Anything which makes for the protection of the public cannot be condensed very well; it ought to form the subject of a special clause. I do not know anything more important than the point raised by my hon. friend from Victoria and Carleton (Mr. Caldwell). Take the case of a mining company. If there is a commission of 25 per cent the purchaser of the stock in that company ought to know that the company is only getting 75 per cent on the dollar.

Mr. COPP: I am informed that every suggestion my hon. friend makes will be provided for. The conditions will be set out in the charter.

Sir HENRY DRAYTON: If I recollect rightly provision for the protection of the public is made in subsection 2 of section 8.

Mr. LOW: The commissions paid for the sale of shares must be set out in the prospectus.

[Mr. Caldwell.]

Sir HENRY DRAYTON: In the case of shares offered to the public for subscription the commissions paid must be disclosed in the prospectus under this bill. What we are now considering is another section altogether. I draw the attention of the minister to the section allowing the company to depart from the prospectus in their advertisement, allowing them to give a résumé of their general purposes and so on. I should like something added here to make it sure that the prospectus as advertised gives the public full notice that the capital is reduced by whatever commission is paid.

Mr. SHAW: This might be an appropriate time in view of the fact that we are discussing the protection of the public under this section, to draw the attention of the minister and hon. members generally to the situation with regard to the sale of shares so far as Dominion corporations are concerned. Everybody is familiar with the regulatory legislation passed by some four or five legislatures in Canada providing restrictions in connection with the sale of shares. May I be permitted to refer to the nature of that legislation. We have, for example, what is called the Sale of Shares Act in the province of Alberta passed in April 1916. Under this a company which proposes to sell its shares to the public must make application to the Board of Public Utility Commissioners, and these are some of the requirements which must be satisfied before the necessary certificate is given:

> A company applying for permission to sell shares must satisfy the board as to the bona fides of the enterprise; that the company has a reasonable chance of success; and that the subscribers will have a fair run for their money.
>
> In the case of a mining company the board requires a report by a competent engineer or, if a mere prospect, possibly a report by a geologist. The board may also require a report by an engineer or geologist of its own selection.
>
> Promoters are frequently required to put up substantial financial assistance themselves. Promoters or vendors' stock must be put in escrow until the company proves its claim. Extravagant commissions are not allowed.
>
> The minimum subscription upon which a company proceeds to allotment must be a substantial one. Experience has shown that many companies never obtain anything like sufficient to begin operations, and upon winding-up proceedings the proceeds of the stock subscribed are eaten up in costs, commissions, and other expenses.

Now, similar legislation has been enacted, in various provinces of Canada including the province of Ontario, where the legislation became effective some short time ago. So far as the Dominion is concerned there is no provision in the Federal Companies Act which is at all comparable with the legislation which I have indicated. The promoters of a company

need only seek incorporation, and then they have the right to sell their shares practically without any limitation. There are some minor limitations, but, as I suggest, nothing which at all compares with the restrictions imposed by the provincial acts. The next thing is that some of these provincial legislatures have sought to make the legislation they have passed applicable to Dominion companies. That was tried in the province of Saskatchewan where a case of this character arose: A company validly incorporated under this very act, amendments to which we are now considering, sold some of its shares to a resident of Saskatchewan. He was not able to pay in full so he gave a promissory note for the balance remaining unpaid. He did not pay the promissory note when it fell due, and the Dominion corporation consequently sued him. He defended the action on the ground that the Dominion corporation had not prior to the sale of the shares secured the necessary certificate from the local government board in Saskatchewan. The company replied that the Sale of Shares Act of Saskatchewan was ultra vires of the province so far as it attempted to interfere with the Dominion corporation. It was urged that the right to sell shares is an inherent right in a corporation, and consequently a corporation validly incorporated under the Dominion Companies Act has the inherent right to sell its shares without any restriction by provincial legislation. The case went to the Appeal court of Saskatchewan, and that court unanimously held that the Sale of Shares Act of Saskatchewan, so far as it purported to affect the selling of shares by a Dominion corporation, was absolutely invalid. The case was appealed to the Supreme Court of Canada, and judgment was given some months ago affirming the decision of the Appeal Court of Saskatchewan.

Mr. HANSON: What was the case?

Mr. SHAW: The case before the Saskatchewan court was the Ruthenian Farmers Elevator Company vs. Lukey, with the Attorney General of Saskatchewan intervening, and the report will be found in volume 3 of the Weekly Western Law Reports (1923) at page 138. That is the situation, and the result is that when a company which is formed for a speculative enterprise or a questionable purpose, is unable, under the existing provincial legislation in some provinces, to sell its shares, all it needs to do is to come down to the Dominion government and seek incorporation; then it is permitted without restraint of any kind to sell its shares in any part of Canada. I think that is a highly undesirable state of affairs. Not only does it permit these speculative companies to so sell their shares to the public, but, in addition to that, it largely nullifies the provincial legislation; because of course when such legislation is passed by the provincial government it becomes absolutely ineffective, for the reason that these companies immediately seek Dominion incorporation. I regret that the minister has not taken some steps to meet that situation and to provide some sort of organization or some regulation which will be comparable in its nature to the legislation I have indicated, and which is now in force in, I think, at least six provinces of the Dominion. I bring it to the attention of the minister because it is a matter of vital importance. It is important that in this respect the interests of the public should be protected. Some other hon. gentlemen are interested, I believe, in presenting some other phases of the matter for the consideration of the minister, but I bring to his consideration primarily the legal situation that exists; so that he may if he deems it advisable, take the necessary steps to provide a remedy, either by incorporating the necessary legislation in the Dominion Companies Act, or perhaps by giving power to the provincial governments to control the sale of shares by Dominion corporations.

Mr. HANSON: This very same question has recently been the subject of a judicial decision in the province of New Brunswick, and arose directly under the provincial legislation in that province providing for the issue of certificates by the Public Utilities Commission before stock could be legitimately sold. The promoter of the company was fined in the police court in St. John, and the conviction was taken up, by way of certiorari, to the Court of Appeal and quashed on the very ground stated by the hon. member for West Calgary (Mr. Shaw). That is now the law of the province of New Brunswick, and the provincial act is practically rendered worthless. The provincial legislation which sought, as everybody is aware, to control the sale of wildcat shares, has been thereby rendered more or less of a dead letter, because corporations of this character immediately become incorporated under a Dominion charter and place the provincial laws at defiance. I think the time is opportune to have an expression of opinion as to the policy of the government on this so-called blue sky legislation, and I would invite the minister to make a statement to the House and the country on this point.

Mr. COPP: This matter has been under consideration, and is being considered now by the departmental officials, and I have a very long and voluminous opinion here con-

taining some fifteen pages in regard to the matter; but we thought the investigation had not been carried sufficiently far to come to a conclusion as to whether or not legislation should be brought down at the moment. I can say to my hon. friends we have before us the legislation of the province of New Brunswick which has been referred to by the hon. member for York-Sunbury (Mr. Hanson). We have my hon. friend's statement that a conviction made under the act has been quashed by the Appeal court which renders the provincial law practically a dead letter. But nothing definite has been decided by the department in regard to it. The same thing, I presume, is true with reference to the western provinces. I have before me copy of a letter from the Attorney General of Saskatchewan in the case referred to by my hon. friend for West Calgary (Mr. Shaw); but inasmuch as this matter is not touched by the amendment being proposed at the present time, I suggest to my hon. friend that a little more time should be given to the study of the question, and if any legislation can be brought down to the House amending the Companies Act, or new legislation introduced, I think we should take a little more time and give the matter a little more thought; so that we can introduce something that may be more acceptable than we would be able to do with the study we have been able to give to the matter at the present time. I would not like to say to the committee just what legislation should be brought down with regard to it, but the officers and legal officials of the department have given a great deal of thought to the matter. They are still studying the question, and are communicating with the attorneys general of the different provinces in regard to it.

Mr. HANSON: That is to say, the minister and his department have not any opinion on the subject. That is about what his statement amounts to. This matter has been before the public for quite a number of years, as stated by the hon. member for West Calgary (Mr. Shaw). It is a matter of legislation in five or six different provinces and while the province of Ontario prepared an act, I believe it was never legislated upon by the Drury government; at any rate it was never proclaimed in Ontario. In New Brunswick the act is on the statute book and may be brought into effect by proclamation.

Mr. SHAW: Did the present Ferguson government not pass an act called An Act respecting the Sale of Securities?

[Mr. Copp.]

Mr. HANSON: My hon. friend may be right. My recollection was that the so-called blue sky law of Ontario was the product of the brain of ex-Attorney General Raney, of unhappy memory, and that it had never been proclaimed.

Mr. SHAW: The bill is No. 218 of the Ontario legislature, and is called The Sale of Securities Act, 1924.

Mr. HANSON: My information is that it was not passed, but I speak subject to correction. I think it is of sufficient importance to have an expression of opinion from the department, if it has an opinion. If the minister is not prepared to go any further than to say that the department is studying the question, we will have to be content with that for the present, but the matter is of very great importance, and I know that there are two schools of thought in connection with the matter. I have not much sympathy with a lot of paternal legislation that is on the statute books at the moment. I think we have altogether too much of it. At the same time there is a great deal to be said in favour of such legislation.

Mr. GOOD: It seems to me this is a matter of very great importance, and I should like some declaration from the minister as to his intentions next year, if not this year. He says that his department is studying the matter. Well, I can quite understand the desirability of considering the details, but surely it would be easy enough to make some statement as to the general intention, as to whether or not they consider legislation in this direction desirable. Surely the House is entitled to some declaration in this matter; and I hope the declaration will be favourable, because it is a scandalous thing that companies should be able to evade the intention and effect of provincial legislation by incorporating under Dominion charters. I hope the minister can give the House some assurance that this matter will be dealt with in the right way at the earliest possible date.

9 p.m.

Mr. COPP: I can assure my hon. friend that, so far as the department is concerned, when the matter is dealt with it will be dealt with in the right way, if the right way can be found. But I regret I am not in a position to make any definite statement to-night. The department is in communication with the attorneys general of the different provinces and we shall be delighted to co-operate in every way possible with a view to devising some legislation that will be satisfactory both

to the provinces and to the Dominion. The matter has been more particularly brought to the attention of the department by reason of the recent cases to which hon. gentlemen have referred. The law officers are giving the subject their best consideration, and I trust that before long we shall see our way clear to introduce legislation that will fully meet the situation, providing protection to all parties concerned, both the companies and prospective shareholders. As my hon. friend (Mr. Hanson) has rightly said, there are two schools of thought, and the matter is of sufficient importance to call for the utmost consideration.

Mr. SHAW: To which school of thought does the minister adhere?

Mr. COPP: I am not expressing a personal opinion.

Mr. MARTELL: I gather from the minister that this section is copied from the British act; and there is a similar section in the statutes of Ontario relating to companies. There is also a section very much to the same effect in the Companies Act of Nova Scotia. I agree with the hon. gentleman (Mr. Hanson) that there are two schools of thought, and he says that he has very little sympathy with much of paternalistic legislation. The hon. gentleman and I cannot always concur on matters of political dogma, but when it comes to a question of this kind I am heart and soul with him. I do not believe that there is any country whose laws are better fitted, as a model after which we can frame our own so that they may be acceptable to our people, than are the laws of England. We in the province of Nova Scotia claim that our general laws have been moulded on those of the Old Country; and after that, if we have no particular law of our own regarding some special matter, we sometimes seek advice from Ontario. But we do not always do that; my hon. friend from West Toronto (Mr. Hocken) and I would not always agree in that respect. In the interpretation of statutes it is well to have precedents to guide us and if we have this section drafted after the British and Ontario sections, should a case come up under it we can consult our precedents as found in English and Ontario decisions. So that we will have a continuous system of law coming down to us. But if we are going to follow those people whose heads are up in the clouds and who are constantly looking for something to reform we shall never have any stability in the jurisprudence of the country. It is all very well to say that we should have blue sky laws; but does not the act itself go as far as men should go? Are we not going to leave something to the intelligence of the people? We do not want parliament or the government to be a sort of godfather or godmother to every citizen in the country; we should give some of the people at least credit for having a little common sense and business acumen. And this very often is not displayed by a great number of those people who want legislation to meet every possible phase of any question that might arise. They seem to be afraid of the lawyers; but I notice that when matters come up in the House of Commons the lawyers have very little to say from the legal standpoint; we usually find lay lawyers giving advice on these points. My hon. friend from Victoria and Carleton (Mr. Caldwell) laughs, but there is no man who is as much a self-constituted philosopher and legal luminary as is the hon. gentleman, who speaks on everything under God's heaven. I am a humble member of the bar of Nova Scotia and I am going to say that the barristers of that province can hold their own with the lawyers of any other part of the country. I should have very little conceit in the ability of my fellow practitioners from that province if I did not say that. I am sick and tired of hearing people dictating to us on questions of legal interpretation and trying to tell the House what the law of the country on this and that subject ought to be, when they know absolutely nothing about it.

There are laws for the incorporation of companies in this country and there are divers kinds of corporations or incorporations. My hon. friend from South Simcoe (Mr. Boys) could tell us the nature of ecclesiastical corporations because I understand he is the chancellor of the Anglican diocese of Algoma.

Mr. BOYS: I should be delighted to accept that compliment if I were entitled to it, but I do not want the House to have the impression which my hon. friend conveys. The hon. gentleman is thinking of a former member of the House, Mr. A. C. Boyce, then representing Algoma, and now on the Board of Railway Commissioners.

Mr. MARTELL: Well, I know there are various corporations and I thought that probably the hon. gentleman could tell us what ecclesiastical corporations were. There are different ways in which corporations can be brought in esse in this country; you can constitute them by act of parliament or by royal charter, and you can also have an incorporation under the Companies Act. The latter

is usually brought about by what is termed a memorandum of association, which sets out what are to be the powers of the company; and there are also articles of association setting out rules for the internal government of the company. Under this bill we are declaring what shall be set out in the memorandum of association and in the so-called prospectus; certain clauses are to state what the commission for selling shares shall be and what the prospectus shall disclose. But apart from what may be put into a statute regarding the prospectus there is also the common law. Every lawyer in the House is familiar with the case of Derry vs Peek. Under the common law, if a man makes a fraudulent representation in the prospectus as to a matter of fact and is guilty of deceit or fraud there is a common law action against him in consequence. There is also action against the directors of a company if they do not act intra vires of the memorandum or charter of the company. These things are only fair. In this case the company in a certain prospectus offers shares and the people know what the prospectus states and what the memorandum of association contains; thus they know the powers of the company. If people are selling shares by making statements contrary to the authorized prospectus or are guilty of fraudulent representations of fact, they are liable under this bill; and there also lies action under the common law.

Surely in the name of everything that is fair we should leave something to the individual who wants to invest. Do not come here and circumscribe business with so many restrictions that people will not be inclined to invest at all. A good many members in this House seem to think that after they have taken the so-called gambler's chance the country should prosecute company promoters simply because these gentlemen who invested of their own volition did not exercise good business ability. For heaven's sake do not surround business with too many restrictions. It is only fair that men should have complete freedom in their business transactions so long as they do not break the criminal law or infringe upon the common or statutory law rights of others. I claim that my hon. friend in introducing these amendments has adopted the principles of the British Companies Act, which are also to be found in the Ontario Companies Act—and Ontario is only second to Nova Scotia in matters of jurisprudence; you all know that —and surely we as legislators should be prepared to follow British precedents, because we acknowledge that Great Britain has the fairest and most equitable administration of justice of any country in the world, that there justice is always swift and impartial to poor as well as to rich. This being so, why should we, because owing to what I might describe as the fruits of the overheated brains of some people in this country, a new system has arisen—why should we, I say, think that we have a God-given right to disrupt the whole system of British jurisprudence on which our laws are founded? If we follow what has been been found to be sufficiently good in England in matters of law administration, I am quite confident that the people of this country will be well satisfied, because they will then know that their rights are protected and left equitably inviolate and that rich and poor alike, will enjoy liberty, equality and justice.

Mr. GUTHRIE: Mr. Chairman, I congratulate the hon. member for Hants (Mr. Martell) on his very able speech on the subject of the incorporation of companies, whether under provincial or federal jurisdiction. This is a matter of very grave concern to the business interests of the Dominion and to the people in general, and I sympathize very much with the minister in his desire not to express a very definite opinion on this very important question either in his own behalf or in the behalf of the government. We must realize that the parliament of Canada has inherent jurisdiction over the incorporation of companies, and I trust the day will never come when this parliament will surrender that jurisdiction to any province; on the contrary, I hope that at all times it will conserve that right which was given to it when the constitutional act was passed for the confederation of the Dominion. Were we to follow the suggestion of my hon. friend from West Calgary (Mr. Shaw) and adopt the varying views of the provinces, we would sap that federal jurisdiction to its very foundation.

Mr. SHAW: Does my hon. friend imagine that I suggested that the right of incorporation which exists in the Dominion government by reason of the Act of Confederation should be handed over entirely to the provinces?

Mr. GUTHRIE: No, I do not think my hon. friend suggested that; but, as I understood him, his suggestion was that the right which we have should be circumscribed to fit in with the desires of the various provincial legislatures, and I think I am right in saying that in no two instances have the provinces passed the same legislation in regard to what is known as their blue sky laws. It is an accepted doctrine that within their sphere the

provincial legislatures have the right to incorporate companies, and it is well known that they have gone beyond their powers in that respect; but so far as they have acted within their powers no objection can be taken. When, however, they seek to affect jurisdiction here to meet conditions in their own provinces and not generally applicable throughout Canada, then I submit they do seek to limit the jurisdiction and the authority of this parliament. I was under the impression that the Ontario legislature, while it had passed a blue sky law, had never yet brought it into force. My hon. friend from West Calgary mentioned that a law in respect of the sale of securities was passed by that legislature last session. I was not aware of it, although I remember seeing something in the newspapers that a bill for the purpose was introduced. But I accept my hon. friend's statement.

Mr. SHAW: Might I say to my hon. friend, because I do not want to have any misapprehension on the point, that I observe in this particular act, which I am informed was passed by the Ontario legislature last session, that it is to come into force on a date to be named by proclamation of the Lieutenant Governor in Council. So it may be as the hon. member suggests, not yet in effect.

Mr. GUTHRIE: Yes, perhaps it has not yet been proclaimed. But the point I desire to impress on the minister is that this is a jurisdiction in respect of the incorporation of companies which this parliament must maintain; it is our duty to do so. We are not to be influenced by the whims of any government in any province. We must at all times be in a position to legislate for the benefit of the whole Dominion in matters which the British North America Act recognizes to be for the general advantage of Canada. That is an inherent duty on the part of this parliament, and I trust no government will ever surrender the right. New Brunswick has a law respecting the sale of securities in that province; another law exists in Saskatchewan; another in Alberta; another, I think, in Manitoba. Are we to be asked to frame a measure under our Dominion jurisdiction to meet all the requirements of these various provincial laws? Why the question has only to be stated to be denied. I submit it is not practicable, and I think if the government and the minister and the deputy minister,—whose familiarity with this question is far greater than that of any member in this House—if they devote themselves to framing a law which will be applicable to the whole Dominion on broad general principles such as we have always enjoyed, with such reasonable safeguards as may be properly employed, then that is the extreme length to which this parliament should go in matters pertaining to the incorporation of companies.

I do not know that I have any very strong opinion with regard to paternalism, although I do believe that at the present time we are going to the very limit in that respect. But whether it is paternalism or not I do think there is wisdom shown in that which is offered to the public by the requirements of the proposed bill.

Mr. WOODSWORTH: The hon. member (Mr. Martell) is very much afraid of the result of overheated imagination, but it is rather strange that down in Nova Scotia they have actually passed blue sky legislation, also in New Brunswick, Quebec—

Mr. MARTELL: Tell us what the Nova Scotia Act is and its effect.

Mr. WOODSWORTH: —Ontario, Manitoba, Saskatchewan and Alberta. Whatever may be the details of the acts in these provinces or however much they may differ, evidently the people there recognize the necessity of guarding the interests of the public. I take it that the hon. member (Mr. Shaw) was not urging that this Dominion should adopt exactly the clauses of these provincial acts but rather we should recognize that as the needs of the case have driven the provinces to legislate along this line, so the same needs should lead us to take action adequately to safeguard the interests of the people. I do not intend to speak with regard to the protection of the public from wildcat legislation, although I could instance some cases in my own province of Manitoba where I think many people are glad that they were saved from some schemes that were advanced a few years ago. I think particularly of one that was brought down from the city of Calgary, the home of my hon. friend (Mr. Shaw). Another very important problem closely related to this matter is the protection of the public from the mergers that are taking place, in the course of which the companies are being greatly over-capitalized. In the Farmer's Sun of October 15, 1921, there was published a study of some of the mergers that had taken place a few years ago, chiefly from 1905 to 1912, the period during which we had a very large number of consolidations in Canada. I quote:

Capital of the 200 companies before being merged	$115,442,000
Capital issued after being merged into 40 companies	227,197,000
Capital authorized, and which may yet be issued	330,000,000

Already there has been put in equal quantities of "watered" stock and actual capital, and authority is given the companies to issue twice as much watered stock as actual money paid in. This is one of the most fruitful causes of the high cost of living. Every manufactured article is more or less affected by these mergers and the stock watering.

The public in my section of the country, whatever may be true of other parts of Canada, have awakened to the evils arising from this kind of thing. In the Grain Growers' Guide of November 16, 1921, there was a study based upon some articles that had appeared in the Monetary Times, which must be familiar to many in this House, showing the mergers which have taken place in the case of a number of leading corporations. I would like to ask permission to read a few of these as illustrating this particular point:

Name of Merger	Capital of Companies Absorbed	No. of Companies Absorbed	Capital Authorized to be issued by Merger
Amalgamated Asbestos Corpn..	$ 3,550,000	5	$ 25,000,000
Ames-Holden McCready Ltd..	3,500,000	2	11,500,000
Belding Puul Corticelli Ltd..	895,000	3	3,500,000
Canada Bolt & Nut Co.	935,000	5	3,500,000
Canada Cement Co.. ..	17,750,000	11	38,000,000
Canada Bread Co..	575,000	5	5,000,000
Canada Car & Foundry Co..	11,200,000	4	20,000,000
Canada Consolidated Felt Co..	340,000	3	2,500,000
Carriage Factories Ltd..	900,000	4	5,000,000
Dominion Glass Co.. ..	1,400,000	3	11,000,000
Dominion Manufacturers Ltd..	1,475,000	5	3,550,000
National Breweries.. ..	4,475,000	11	12,500,000
Ontario Steel Products..	600,000	3	2,100,000
Dominion Canners.. ..	1,324,000	21	12,500,000
Sherwin Williams Co..	2,500,000	3	12,000,000
Standard Chemical Iron & Lumber Co..	2,400,000	3	4,000,000
Steel Co. of Canada..	9,969,500	4	35,000,000
	$63,788,500		$206,650,000

Note.—The increase in capital values of above companies authorized under the Companies Act is $142,861,500 or 324 per cent.

I think it is recognized by all that undoubtedly over-capitalization increases the cost of commodities. The companies are of course, anxious to make their dividends on these high figures, figures that have no relationship to the amount of capital really put into the concern. I would like to point out also a hardship that is frequently worked upon the industrial population. Not only do the workers, as consumers, carry a heavy load in the enhanced cost of commodities, but they also frequently carry an additional burden in decreased wages. Many of these companies state they cannot afford to pay higher wages and at the same time pay dividends. The following figures are interesting in this connection. They are taken from the Labour Gazette for May, 1924, pages 404 to 406:

Number of Employees and Wages Paid in Various Industries in Canada

Name of Industry	Number of Employees 1922	Amount of Wages, 1922	Average Yearly Wage for each Employee
Cotton textile..	19,941	$14,635,249	$739
Cotton yarns & cloth.	18,504	12,529,766	677
Cotton thread..	659	514,747	750
Boot & shoe..	11,968	10,237,400	855
Macaroni & vermicelli.	140	85,549	611
Cocoa & chocolate.. ..	541	465,850	861
Mens furnishings.. ..	4,781	2,699,525	565
Or yearly average for all employees engaged.			$5,058
In seven industries..			$722

This living allowance of ($722) must be compared with the necessary living allowance of $1,783.60 for a family of five (See pages 431 and 433 Labour Gazette, May, 1924).

It is not my intention, Mr. Chairman, to detain the committee with pointing the moral contained in these figures. I think we all recognize that the public ought to be safeguarded in some way against what might properly be called, irresponsible companies, companies that are not in any sense under existing regulations directly responsible to the people. These companies have very considerable power in their hands. They may make representations to the department, and so far as I can gather these representations are taken at their face value. There is no way, apparently in which the general public may be protected from—what shall I say?—the extortions of these companies. I think the member for Hants stated that we ought to be protected merely from deceit or fraud. I do not claim that from the strictly legal standpoint as the law now is on the statute books these companies are always guilty of deceit or fraud, but I do urge that if we consider the question from a higher aspect, we must admit that the companies have no moral right to charge prices for commodities that are not based on actual capital invested. We must realize that people all over this country are recognizing that there must be a change. We are told, and my friends in the Farmers' group are told, again and again that the cost of living is high on account of the high wages. I submit that high wages are only one factor, and not the most important factor, in the cost of living to-day.

Mr. GARLAND (Bow River): I wish to add my voice to the protest of the hon. member for West Calgary (Mr. Shaw) and that of the

hon. member for Centre Winnipeg (Mr. Woodsworth) in this matter. In opening let me refer very briefly to the remarks of the hon. member for Hants (Mr. Martell). He was particularly critical of those who would come down here and attempt to impose what he called paternal legislation or restrictive legislation so far as business is concerned. He, perhaps, has overlooked this fact that the securities of the companies that are perhaps to be controlled are largely created and sanctioned by the state itself. Therefore the state must continue, and when necessary to extend that control and it is fully justified in doing so. We must adhere to that principle.

I might quote an authority, Professor King, instructor in statistics in the University of Wisconsin. In a book called "The Wealth and Income of the People of the United States," at page 102 he states:

> If wealth can be concentrated by law, it might equally be dispersed by law. . . . In fact, in a hundred ways, legislation might be used to secure greater equality of possessions. If we deem the present gross inequality of distribution decidedly evil, then remedial legislation can be enacted none too soon.

That remedial action is required will be apparent, I think, to those who will study the mergers that have taken place in recent years, and the tremendous consequent loss to the consuming public. Why do I say there is a loss? Let me quote from the Monetary Times of January 6, 1912, page 47:

> The payment of dividends on unreasonable capitalization must in some way be wrong from the public. Common stock issues often fail to represent an investment, yet dividends are expected to be paid thereupon. Only the consumer can pay them.

That is the point we have got to let sink into our heads.

> The position of the individual manufacturer may also suffer unless large aggregations of capital are properly regulated.

I trust these will be sufficient answers to the hon. member for Hants. The article goes on to suggest certain reforms which I will briefly summarize in closing.

In following up the view taken by the hon. member for Centre Winnipeg, let me remind the House that in this country, in the United States, in Great Britain, in all countries so far as I know, there is a tremendous disproportion between the wealth possessed by individuals and classes of individuals therein. I am not going to quote very many figures; I shall just endeavour to give the House a bird's eye view of the conditions that exist. We find, for example, in France, in the year 1909 largely due to the overcapitalization of industries controlled by capitalists and others who, by exploiting the general public, pressing down wages, charging highly for their goods, have concentrated wealth in the hands of a few who control these industries, that 26 per cent of the population control only .470 of the total values, whereas 3.9 per cent of the population control 69.9 per cent of all values. These figures are taken from Table XIV, page 87, of the Professor's book to which I referred a moment ago. Table XVI, page 89, shows in the United Kingdom, from 1907 to 1911, 79 per cent of all estates valued at less than £100, or 4.57 of all values; in other words, 79 per cent of the population controlled 4.57 of the total values, and 6.55 per cent of the population, on the other hand controlled 88 per cent of all values. Similar conditions prevail in Canada and the United States.

Coming now to the estimated percentages of the total national income in the United States, received respectively by labour, capital, land, and the entrepreneur, we find that in the year 1900 47.3 per cent of the total income went in wages and salaries, 15 per cent in interest, 7 per cent in rent, and 30 per cent in profits, out of a total of 100. In 1910, 46.9 went in wages and salaries, 16.8 in interest, and 8.8 in rent, and 27.5 in profits, or an average in wages and salaries of 45.9 per cent.

Now it must be obvious to those who are studying this question that conditions of this kind cannot much longer continue and the public remain quiescent under them. I now refer to one or two of our Canadian industries, and quote from the Labour Gazette, May 1924, pages 404 to 406, following up the line taken by the hon. member for Centre Winnipeg. I find in the cotton yarns and cloth industry the total production for the year 1924 was $72,174,728. Out of that $72,-174,728 there was paid in wages only $12,-529,000 and in salaries $1,234,000, or in wages and salaries 19 per cent of the total production. In the macaroni and vermicelli industry the total production was $1,318,037, and the total paid out in wages $85,549, and salaries $51,940, or only 10 per cent of the total production. In the clothing industry the production amounted to $59,287,000. Wages inside amounted to $8,765,000, and wages outside to $405,000, or a total including salaries —$3,286,267—of $12,456,000, or only 21 per cent of the total production.

In the mens' furnishings industry a similar condition arises with only 23 per cent of the total production coming back to the producers of the value. Similar conditions prevai' in almost all our Canadian industries.

Mr. FOURNIER: Are you sure your professor is right?

Mr. GARLAND (Bow River): I am quoting these figures from the Labour Gazette, not from the professor. Now let me impress upon the House this conclusion that we come to after studying these figures. We are returning to labour only 20 per cent of its average production. The percentage varies slightly in different countries; in the United States it is somewhat higher than in Canada at the moment. But, and this is my point, as long as you return to the producer of values only 20 per cent of those values how can they have consumptive power? The result must be stagnation. These things must be taken into account.

In conclusion let me submit, it is advisable that this government, and the minister particularly concerned, should take steps to stop this over-capitalization, and to protect the public from wildcat schemes. I would submit that a sworn statement should be demanded from incorporated companies showing the actual value of all tangible assets, and also an estimate of the value of all intangible assets, this sworn statement to be signed by an auditor. That would give the public some protection. We might then prohibit the giving of common stock as a bonus to the purchasers of bonds or preferred stock. I cannot for my life understand what justification there is for permitting companies to issue bonuses to those who will buy bonds or preferred stock. It looks very much like the giving of a prize, or something of that nature, with every pound of tea. Again why not insist that all common stock be sold at par and be fully paid up. I think that if these ideas were carried out they would form exceedingly valuable additions to the present legislation. An exception might be made in the case of highly speculative development industries such as mining, because enterprises of this character are required in the development of the country. But even in these cases supervision should be exercised by the department, and there should be a close examination undertaken by government officials before they were given the right to sell stock below par under any conditions. In the issue of the Monetary Times from which I have already quoted there are certain further recommendations which I desire to place on record.

1. More information than hitherto afforded as to the past history and actual earnings of companies absorbed, must be given in the prospectus.

2. The investor must know what was paid for the properties acquired by the consolidated company, and whether the consideration was cash, stock, bonds, or all three.

3. Greater discretion and conservatism must be used in estimating the economies likely to accrue from amalgamation.

4. Capitalization must be based upon the cost of acquiring properties, real assets, a reasonable amount for future development, and legitimate profits to promoters.

5. Capitalization should be such as to enable the predicted dividends to be paid even in times of moderate trade depression.

And watering stock must be prohibited.

Section agreed to.

On section 18—By-laws to be sanctioned.

Mr. COPP: There is the same provision here for a two-third vote.

Section agreed to.

On section 19—By-law to be approved and confirmed.

Mr. COPP: There is a change needed here. In the nineteenth line "shares represented" should be "votes cast." It is a mistake in printing.

Amendment agreed to.

Section as amended agreed to.

On section 24—By-laws for increase or decrease of number.

Mr. COPP: There is a slight change here. In line forty-five the word "in" should be changed to the word "the."

Amendment agreed to.

Section as amended agreed to.

Mr. COPP: I want to add another section to the bill as section 29. It is to make a verbal change in the amendment made last year. The first line of subsection 2 of section 2 of the act of last year reads as follows:

Nothing in this section shall prevent a company—

I want to change the word "section" to the word "act." It will then read:

Nothing in this act—

And so forth.

Mr. SHAW: Shall prevent the company from what? We have not the reference here?

Mr. COPP: I will read the first part of last year's section:

Section seventy of the principal act is amended by adding thereto the following subsection:

(2) Nothing in this section shall prevent a company incorporated for the chief object of mining from declaring or paying dividends out of its funds derived from the operations of the company, notwithstanding that the value of the net assets of the company may be thereby reduced to less than the par value of the issued capital stock of the company—

And so on. It applies to mining companies and the word "section" was used instead of the word "act."

Amendment agreed to.

Section as amended agreed to.

Bill reported.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply Mr. Marcil (Bonaventure) in the chair.

Inspection and Sales Act, administration of, $3,000.

Hon. T. A. LOW (Minister of Trade and Commerce): This is to provide for the administration of the Inspections and Sales Act. The expenses provided for are:

E. Côté, inspector of hides, Quebec	$1,620
Expenses	750
Expenses, W. D. McDermid, supervisor of binder twine	630

No salary is paid Mr. McDermid under this vote. He combines the duty of supervisor of binder twine, manufacture and sales, with his duties as supervisor of crude petroleum bounties, for which his salary is $1,500.

Sir HENRY DRAYTON: Is this the Inspection and Sales Act as to binder twine?

Mr. LOW: This covers inspection and sale of binder twine, hides, hay and straw, pot and pearl ashes. There are two hide inspectors, one at Quebec and one at Montreal. There is an inspector of fish oil, C. W. Thompson, St. John, who receives expenses of about $42. Then there is E. Horsnell, Montreal, $135. Then on hay and straw, R. Macgillivray, Alberta, $164.05, W. J. McNeill, Toronto, $842, and Nelson Bickerdike, Montreal $1,600.

Mr. CALDWELL: We are interested in the names of the men but what does the inspection of hides consist of? Why does the government have a man inspecting hides? What is the idea?

Mr. LOW: I think it is more for the protection of the farmer than anybody else, to ascertain the quality of the hides, and to see that they are properly cured. I fancy it would be more in the interests of the farmer.

Mr. CALDWELL: The farmer is selling hides, not buying them.

Mr. LOW: Yes, but if they are not properly cured or packed, it may react on the sale of Canadian hides.

Mr. GARLAND (Bow River): Is that paternal legislation?

Mr. CALDWELL: Is there any supervision to see that the farmer gets a living wage or price for the hides? I will give an example of what I saw happen within the last two years. A farmer brought a hide into town and sold it. The hide weighed fifty pounds, and he got a cent a pound for it. The buyer was in the harness business and the farmer said, "I do not want the money, I want a hame strap." The harness man said to him, "All right, the price of the strap is seventy-five cents; you will owe me twenty-five cents." And the man gave the cow hide and twenty-five cents for a hame strap. I do not know how many hame straps a cow hide would make, but the labour in making these straps is not very great. It is simply a buckle riveted on one end of the strap. I am anxious to see that this inspection should extend to something in the shape of equity in the dealing in hides as well as in the curing of them.

Mr. JELLIFF: What is the nature of the inspection of binder twine? Is it the length or weight or quality?

Mr. LOW: We have an inspector who travels round to the factories to see that the binder twine is made of the proper quality, and I think that work is in the interest of the agriculturist.

Mr. HANSON: How many binder twine factories are there in Canada?

Mr. LOW: I think there is only one.

Mr. HANSON: How many twenty years ago?

Mr. LOW: I do not know.

Mr. COOTE: Does the inspection and grading of hay come under this vote?

Mr. LOW: Yes. I am now negotiating with the Department of Agriculture, because I think that the inspection of hay and straw should properly come under that department, and for that reason I made the suggestion to the Minister of Agriculture.

Mr. COOTE: Will the minister give me some assurance that this transfer will be made as promptly as possible, if it is to be made; because there are a number of men in western Canada who are anxious to have something done in regard to changes in the grading of hay, and I know that this cannot be accomplished until the transfer is made. I would like to have an assurance that this transfer will be arranged as promptly as possible.

Mr. LOW: As far as the Department of Trade and Commerce is concerned, it will be transferred; but I represent only one department. I have discussed the matter with the Minister of Agriculture, and he is quite willing to take it over—I think I can safely assure my hon. friend that it will be transferred. Of course that matter will be settled by order in council.

Mr. CALDWELL: Do I understand that the inspectors under this vote grade hay, or set the grades of hay in any part of Canada? I know they do not in the province from which I come, but I think there is a provision under this vote that men who press hay into bales must put a tag on the bales and put their name on the tag; so that if there is any shortage in weight they can trace it to the man who pressed the hay and weighed it. In our province I understand that is the only function of our inspectors.

Mr. LOW: Would the hon. member suggest that the item be struck out?

Mr. CALDWELL: No, I think it is a very necessary thing. Do the inspectors under this department set the grades of hay? I do not think they do.

Mr. PRITCHARD: I think this matter comes under the Department of Trade and Commerce. Has it something to do with the hides which come in free of duty? Is there not some inspection in connection with that? How does the dumping clause apply in that respect?

10 p.m.

Mr. LOW: The hide inspector has to pass on that.

Mr. PRITCHARD: How are they valued? The same as binder twine?

Mr. LOW: The home market price is usually taken as the standard of value.

Sir HENRY DRAYTON: Could the minister amplify that explanation, by telling us how the dumping act can come into operation in connection with the importation of free hides?

Mr. LOW: If hides are on the free list, the dumping act would not apply to them.

Sir HENRY DRAYTON: I would have thought so.

Mr. COOTE: Does the minister assure the committee that the dumping clause does not apply to goods on the free list?

Mr. LOW: I do not see how any dumping clause could apply to anything on the free list.

Mr. COOTE: The minister should read the act.

Item agreed to.

International Customs Tariffs Bureau, $1,800.

Mr. SPENCER: What is the reason for the decrease?

Mr. LOW: This item is reduced by $662. The amount voted for a number of years was $662, $600 being the annual amount payable for Canada under the agreement, plus $62 contributed towards a superannuation fund for the benefit of officials of the bureau. The government of Belgium, through its Consul General at Ottawa, reported to the government of Canada a marked increase in the expenditure of the bureau and requested that Canada, along with other countries, should increase its normal allowance by four times the pre-war rate in order that the work of the bureau might be performed with complete accuracy and expedition and that full satisfaction should be given to the various states which are parties to the agreement. The Canadian government was later advised by the Acting Consul General for Belgium at Ottawa that after the estimates for 1923-24 have been passed by parliament steps will be taken to cut down the expenses of the bureau. This makes it possible to reduce the amount of the contribution from each of the different countries for the year 1923, from four times to three times the pre-war figures.

Mr. CALDWELL: Where is the bureau situated and what benefit has Canada derived from it?

Mr. LOW: I believe it is located in Brussels, Belgium.

Mr. CALDWELL: I suppose the purpose is to obtain readily the tariffs of the various countries that belong to the association.

Mr. LOW: Yes, that is the idea.

Item agreed to.

Printing of parliamentary and departmental publications, $90,000.

Sir HENRY DRAYTON: I am glad that the minister is making an attempt to get rid of this item; I see there is a reduction. This is an item to which we have frequently drawn attention, and I have often commented on the multiplicity of governmental publications. I would direct the minister's attention to vote No. 39 which provides for general printing, printing paper, binding and so forth. I can understand that provision should be made for departmental publications, but why should

the Department of Trade and Commerce have anything to do with taking care of those publications? Perhaps a further reduction might be advisable, as this seems to be another instance of overlapping.

Mr. LOW: I have been eliminating a number of publications, as I said a few nights ago, and I have succeeded in reducing this item alone by $60,000.

Sir HENRY DRAYTON: I have given the minister credit for that.

Mr. LOW: There is a great deal in what the ex-Minister of Finance says, and no doubt there is duplication in many quarters which I should like to eliminate.

Mr. HANSON: How many different publications were put out by the department in the last year?

Mr. LOW: I do not know the exact number.

Mr. HANSON: Which ones were cut out?

Mr. LOW: From the Bureau of Statistics we have eliminated twenty different publications.

Mr. CALDWELL: Where is the printing done?

Mr. LOW: It is done at the Printing Bureau.

Mr. CALDWELL: Does the Printing Bureau do all the government printing?

Mr. LOW: Yes, unless there happens to be some special rush.

Mr. CALDWELL: Possibly the recommendation I made regarding the Bureau of Statistics might apply to the printing of governmental documents as well. I think there is a considerable duplication and I am glad that the minister is taking steps to reduce this item. I look forward to his being able to amalgamate all the printing under one head.

Sir HENRY DRAYTON: How much was actually spent last year?

Mr. LOW: We spent $165,946.

Sir HENRY DRAYTON: Was it all spent?

Mr. LOW: Yes.

Mr. CALDWELL: How was the other $15,000 provided for?

Mr. LOW: Probably by a supplementary estimate.

Mr. DOUCET: The hon. member for Brome (Mr. McMaster) is continually complaining about the nuisance of whispered conversations between hon. gentlemen, and we are being treated to this sort of thing to-night; a conversation has been going on between the hon. member for Victoria and Carleton (Mr. Caldwell) and the minister, which it has been impossible for us in this section of the House to hear. However, I rise to ask the minister whether the printing of the Commercial Intelligence Journal comes under this vote. If it does, what steps have been taken to have the printing of the French version done simultaneously with that of the English version? It is notorious that during the past year the French copies reached the commercial interests of the Dominion who use the French language between six and eight weeks after the English version had reached the commercial men who subscribe to it. I do not think that should have existed but in fairness to the minister I must add that to-day the French version is printed about the same time or only a few days later than the English version and for this improvement I am sure our commercial interests using the French language will be gratified. But I would remind the minister that during the last twelve months the French version has not contained all the subject matters printed in the English section the shortage ordinarily running from eighteen to twenty-four pages. For instance, in the issue of May 31 last such questions as —British Trade Commissioners in Canada—Record Mineral Output for 1923 in New South Wales—Export of Rabbit Skins—Reported Find of Valuable Mica Deposits—Import of Motor Cars into Australia—Fruit Shipments to South Africa—Business and Financial Conditions in Belgium—Trade Improvements in Costa Rica—Parcel Post Shipments to British Honduras—Business Conditions in Sweden—were not translated and reprinted in the French section. In the issue of June 7 last I find that—Economic Conditions in Jamaica—Indian Tariff Board Recommends Protection in Steel—Foreign Trade of the United States—Import Conditions in Netherlands East Indies—Barbadoes Customs Duties Surtax Required—Tanning Industry in Chile—were not translated and reprinted in the French version. Coming to the issue of June 14 last I find that—The Royal Agricultural Society's Annual Show at Sydney, Australia—The Oil Question in Australia—Recent Business Conditions in South Africa—Production of Sugar in Japan—Market for British Columbia Apples in Belgium—The New Rus-

sian Customs Tariff—were not translated and reprinted in the French section. If these items are worth publishing for the benefit of the commercial interests of this Dominion, I submit that those who subscribe only to the French version, or to the Bulletin des Renseignements Commerciaux, should receive a full translation of the English version, for I submit, and I think the committee will agree with me, that what is worth doing at all is worth doing well. If approximately only half of the English version is to be republished in French, we might as well discard the whole publication. I believe, Sir, after the fairness and promptitude which the present minister displayed when he assumed office, in expediting the publishing of the French part of the Commercial Intelligence Journal, that my reminder will be sufficient and that he will take proper means to bring to the immediate attention of those in authority the necessity of issuing a complete French translation of the journal.

Mr. LOW: I agree with my hon. friend that the French edition of the Commercial Intelligence Journal should be published at the same time as the English version. We were handicapped last year by reason of an insufficient appropriation for this purpose. As my hon. friend knows, the publication of the French version costs considerably more than the English, and our vote being too small our staff was reduced, resulting in the delay complained of. The whole question of publication has been referred to a committee of which Mr. Speaker is the chairman, and I hope something will be done to consolidate many of the publications upon the same subject which are at present issued from various departments. As I said before, this vote is reduced by about $60,000. Next year I hope we may be able to reduce it still further without affecting the efficiency of the service.

Mr. MEIGHEN: Will the minister tell us what documents he is ceasing to print in order to effect this reduction?

Mr. LOW: In the Bureau of Statistics there are about twenty publications which we feel might well be dispensed with. I have not the list at hand to-night, but I shall be very pleased to place it on the Table at any time.

Mr. MEIGHEN: How long have these publications been printed that are being cut out?

[Mr. Doucet.]

Mr. LOW: Some of them a year, others two years, four years, five years. It was a matter of deciding whether the utility of these pamphlets warranted the expenditure on their publication.

Mr. MEIGHEN: The government's course has been somewhat variable on this question. The first time any item appeared corresponding to this item of printing and stationery for the Trade and Commerce department was in 1922, the amount voted then being $125,000. This government then increased the vote to $145,000. Next year they increased it to $200,000.

Mr. LOW: That increase was something over which the government had no control. As my right hon. friend knows, the census publications in 1920-21 accounted for a large portion of the increase.

Mr. MEIGHEN: That is the whole point. It is because we are through with the census that the diminution is made. The item had to be put in in 1921 for the 1922 census publications, and then as the census proceeded the vote had to be increased. Of course now the vote for census publications is not necessary. That is the real explanation for the decrease.

Item agreed to.

Weights and Measures inspection, including International Bureau of Weights and Measures, $300,000.

Mr. CALDWELL: What was the revenue and the expenditure for the past year in connection with this service?

Mr. LOW: The total revenue for the year ended January 31, 1924, was $260,868.40 and the expenditure $248,082.69, without bonus, leaving a surplus of $12,785.71. The vote shows a decrease of $10,000 but there is an actual decrease of $27,000, because the advances in the civil service re-classification amount to about $17,000. Adding that to the decrease we have an actual reduction of about $27,000.

Mr. CALDWELL: I do not follow my hon. friend's reasoning. He may mean that the expenditure outside the salaries has decreased $27,000, but in fact the total expenditure last year was not as much as he is voting this year.

Mr. LOW: This is the first time that there has been a surplus. In 1919-20 there was a deficit of $77,378, and there were deficits in succeeding years as follows: 1920-21, $1,037.73; 1921-22, $14,028; in 1922-23, $1,596.21.

Mr. HANSON: How many inspectors are there in New Brunswick, how many are full time men and how many are part time men, and what are their salaries?

Mr. LOW: The inspectors for the district of St. John are: William Balcom, district inspector, $2,040; H. E. White, inspector; J. O. Leblanc, J. A. Bernier. Then there is an inspector of petroleum for a short time in the year; his remuneration amounts to $100. The first four I named are full time men. I may say that last year the bonuses allowed to the men amounted to $22,000.

Mr. CALDWELL: Is that bonus cut off now?

Mr. LOW: It is still in effect until the Civil Service Commission make their report.

Mr. CALDWELL: Does this vote include the grant to the International Bureau of Weights and Measures, and what is the amount of the grant?

Mr. LOW: The usual grant of $400 is continued. It is included in this vote.

Mr. CALDWELL: What is the function of this bureau?

Mr. LOW: It is something similar to the bureau respecting tariffs that was referred to a moment ago, except that it deals with weights and measures.

Mr. CALDWELL: I can understand that in the matter of tariffs it is well that we should have information from other countries, but I do not see what it matters to us how many ounces go to the pound in Belgium or how many quarts it takes to make a gallon of gin in Holland.

Mr. BELAND: They have the metric system there.

Mr. CALDWELL: Are we going to adopt the metric system? What benefit do we derive from this bureau? I am asking for information.

Mr. LOW: It has continued from the year 1907. If my hon. friend is particular about the location I will be glad to get details for him.

Mr. CALDWELL: What benefit do we derive from this bureau?

Mr. MEIGHEN: Can the minister tell us how much of this is for salaries of the inspectors and the staff, and how much for other expenses such as rent of buildings, travelling expenses, postage, stationery, fuel and so forth. The reason I ask is I want to compare with previous years, and in previous years the vote was divided into three items, salaries, other expenses, and then this grant of $400.

Mr. LOW: The salaries of 118 officers amounted to $160,000; contingencies, $87,000; International Bureau, $193.76 to January 31. I presume that is the amount that was spent in connection with the vote of $400. The item of $400 for the International Bureau of Weights and Measures is to honour an international obligation.

The International Bureau was established after a conference of 19 nations in Paris in 1875. Its objects are research work in the science relating to primary standards and the perfecting of the accuracy and relation of international units of weights and measures of electricity, heat, and so forth. The Bureau has been primarily concerned with the perfection and extension of the metric system, but this is not its only interest. Exceedingly useful work has been done in establishing beyond question the absolute values of English and American standard pounds, yards, and gallons and their absolute relation to the standard kilogramme and metre. I think that answers the question of my hon. friend (Mr. Caldwell).

Mr. MEIGHEN: I would ask the minister to take a look at his notes again and see if he is right. He said the salaries last year were $160,000, and the other items collected together, fuel rent and so on, $87,000 and $193 for the Bureau. The total of that is only $247,000. Is that all that was spent?

Mr. LOW: My hon. friend perhaps did not hear me say that was up to January 31, 1924.

Mr. MEIGHEN: The books are complete up to the end of the year. The information to that date is valueless.

Mr. LOW: That is the expenditure that was given me.

Sir HENRY DRAYTON: What does the minister really think he is doing? Is he cutting down the salaries, or are they going up? Take 1921; are we going back or gaining compared with that year?

Mr. LOW: It is entirely controlled by the Civil Service Commission. The statutory increases must be paid.

Sir HENRY DRAYTON: My hon. friend knows that what he has said is giving an absolutely wrong impression. I am not talking about statutory increases, because of

course statutory increases have to go on all the time. It is perfect nonsense to say that the Civil Service Commission passed the statutes to provide for the increases; we have always had these statutory increases, and I have never heard this excuse given before by any other minister. The Civil Service Commission has absolutely nothing to do with statutory increases. That has never been calculated before by a minister wanting to show a reduction.

Mr. LOW: That is not shown.

Sir HENRY DRAYTON: But my hon. friend showed it and said there was a real saving of $27,000, which was real moonshine, If my hon. friend will look at the figures for 1920-1921 the salaries were $163,000. The next year the amount was higher, because that was our worst period of inflation; it was then $192,-000. But my hon. friend is right. The proportionate rate of his salaries to-day, taking the figure he gave us of $160,000 for the year, would be far greater. It is at least $212,000 on the figures supplied by my hon. friend. There is absolutely no reason for any talk of economy in this particular matter because the salaries have gone up if the minister's figures are correct. Is not the real fact, as I suggested before, that there was a change made in the schedule of charges in 1920 or 1921, and my recollection was that it was 1920? Was it not also in 1920 that the rearrangement was made of combining the departments? I think my hon. friend will find that there was an increased tariff put in, and that is shown by the greatly improved figures for the following year.

Mr. LOW: Ninety-one statutory increases amounted to $5,025; 107 changes in classification amounted to $12,140; 5 positions filled at higher rates, $420, making a total of $17,585. If we had been carrying on as heretofore we would have had to add that much extra to the amount that was voted last year. Deduct from the total of last year's vote these statutory increases and my hon. friend will find that there is a cut of $27,000. Let me also point out that while in the main estimates my figures show an increase of $433,741.31, when you deduct the capital expenditure that is included this year I have an actual reduction of $766,259. There is an item of $1,000,000 for an elevator at Edmonton, and an item of $200,000 for an elevator at Halifax, or $1,200,000 in those two items. Deducting these two capital expenditures that are included in the current expenditure of this year, I have succeeded in making an actual reduction of $766,259.

Sir HENRY DRAYTON: That is a first rate way of lathering yourself up to lather yourself down. The items are charged as they always are.

Mr. LOW: We do not have them every year through.

Sir HENRY DRAYTON: Were there none last year or the year before? I have no doubt my hon. friend's predecessor the Acting Minister of Finance, if he had wanted to could have made just the same kind of argument that my hon. friend has made to-night.

Mr. LOW: He could not have made that argument because it was not there.

Sir HENRY DRAYTON: I think it will be found there were some. Does my hon. friend say there were no individual items in the vote last year?

Mr. LOW: One.

Sir HENRY DRAYTON: What one?

Mr. LOW: One of $200,000.

Sir HENRY DRAYTON: That is a hardy annual for decorative purposes, and used whenever there is the possibility of an election. But take Edmonton, there was an item for that in last year. We will probably find some other items if we take the necessary time to go through the estimates. But what difference does it make? I should think my hon. friend would not want to be boasting a tremendous lot about reductions. Now, I want to get back to this vote. Was not the rearrangement made in 1920 that my hon. friend spoke about?

Mr. LOW: Rearrangement about what?

Sir HENRY DRAYTON: My hon. friend explained to the committee that there was a surplus which was produced as a result of a rearrangement. When was that rearrangement made?

Mr. LOW: Towards the end of December, 1923.

Sir HENRY DRAYTON: What rearrangement was that?

Mr. LOW: The cutting down of the staff.

Sir HENRY DRAYTON: To what extent?

Mr. LOW: The cutting out of publications.

Sir HENRY DRAYTON: We are not worrying about that. These publications were

cut off because the work had stopped. I made a mistake a short time ago—

Mr. LOW: I have already told my hon. friend that in many cases districts were joined and the staff reduced.

Sir HENRY DRAYTON: Let us get one thing at a time. My hon. friend talks about publications cut off. That has nothing to do with this vote. Publications were cut off with the census publications which stopped after the census was concluded. I made a mistake in saying my hon. friend was entitled to some credit for $60,000. I was wrong; the census looked after that, or rather after its disappearance. So far as weights and measures are concerned how many less officials have we this year than we had last?

Mr. LOW: We have 109 as against 124 in the year 1920-21, although the service is always extended.

Sir HENRY DRAYTON: One hundred and nine as against 124. What was it last year?

Mr. LOW: The details of all these matters should properly be discussed under the civil government estimates. When we come to discuss them I will be able to show my hon. friend that I have made a total reduction of from 235 to 250 in this department.

Sir HENRY DRAYTON: My hon. friend gave us a reason for a surplus in connection with this vote, and I am trying to find out what there is in this statement. We have now 109 men employed under vote 390; is that right?

Mr. LOW: The number of inspectors, and others in connection with the staff, in 1920-21 was 124. In 1921-22, the number was 120; in 1922-23, 119; and this year, 109. Notwithstanding the fact that the service has been extended we have made a reduction of 10.

Sir HENRY DRAYTON: How many more machines are there? Is not a great deal of this business being done by adding machines or mechanical devices of that character?

Mr. LOW: No, there are no automatic machines.

Sir HENRY DRAYTON: So we saved 10 men as a result of the re-organization made last December? Is that right?

Mr. LOW: November or December.

Sir HENRY DRAYTON: What other departments came into that? What was the change that was made?

Mr. LOW: Some of the districts were united and some—

Sir HENRY DRAYTON: Any offices closed?

Mr. LOW: I think there was an office closed, I think the one at Sherbrooke, if I remember rightly, was transferred to Montreal.

Sir HENRY DRAYTON: Any transfers to other departments?

Mr. LOW: No.

Sir HENRY DRAYTON: The work was continued just as it was.

Mr. LOW: All the work is being continued and is greater in volume.

Mr. CALDWELL: I put a question last year under this vote, and I should like the minister to tell me whether any change has been made in consequence of it? That is in regard to the inspecting of gasoline measuring pumps. When you use such a pump you turn a crank round so far and it is supposed to measure a gallon.

Mr. LOW: I think the regulations are just about the same as last year.

Mr. CALDWELL: I think the minister last year, if I remember rightly, promised some change. I gave a good illustration at that time of how the system of measuring works out. I do not know how often these pumps are inspected, but I remember driving into a garage once to fill my tank. That tank held, I think, ten gallons of gasoline and there were already two or three gallons in it. The garage man pumped in ten gallons. I told him I did not mind paying for the extra gallon of gasoline, but I did not like to have my tank spoiled. I told him to put the measuring pump to work because there were already two or three gallons in the tank. He got a gallon measure, turned his pump on, put the gasoline into the measure and found that the tank was a little more than two thirds full. He seemed very much surprised. I do not think he intended to wilfully defraud anybody.

Mr. LOW: Has the hon. member a copy of the regulations adopted last year? They may provide for the suggestion to which he refers.

Mr. CALDWELL: My suggestion was that after licensing the use of these pumps an inspection should be frequently made, because anybody who has had any experience

with pumps knows that the valve in the pump sometimes gets out of order very quickly. Although the pump may be inspected and found perfectly right to-day, in a month from now it may be out of order and in some cases absolutely wrong. Gasoline is a very hard thing to regulate. A pump that will pump water accurately might fail to pump gasoline, because gasoline will work out through an iron tank frequently. It certainly will work out through a wooden barrel. I urged last year very strongly that these devices for measuring gasoline should not be licensed without—

Mr. LOW: You want the measuring made visible?

Mr. CALDWELL: Exactly.

Mr. LOW: I may say to my hon. friend that I think the order in council that was passed in April this year contained such a provision as he speaks of. I think that feature is provided for in the new regulations.

Mr. CALDWELL: You have not a copy with you?

Mr. LOW: I would be very glad to send the hon. member a copy of the regulations. I think he will find they contain such a clause.

Mr. CALDWELL: I will admit this pump is a very handy device; I think it saves a lot of labour. I should like to make a suggestion to the minister along the lines of what should be done. I do not think it will be necessary to do away with these pumps entirely. I think he should insist that there should be a glass receptacle that will hold a gallon of gasoline so that the gasoline might be visible as it flows into the tank.

Sir HENRY DRAYTON: I think some of them work that way now.

Mr. CALDWELL: We do not have them in the East, we are still using the old kind. I think the department should insist that if a license is granted to a pump of this type it should have a visible addition of the kind I have mentioned.

Sir HENRY DRAYTON: The minister has not yet told me whether there was any increase in 1921 in the rate of fees charged.

Mr. LOW: None since I came into the department.

Sir HENRY DRAYTON: I know that, but the minister has been there only a very short time.

[Mr. Caldwell.]

Mr. LOW: The Minister of Trade and Commerce does not recall that there was any change.

Sir HENRY DRAYTON: Was there a change in 1920 or 1921?

Mr. LOW: I think my hon. friend will know.

Sir HENRY DRAYTON: There is a sharp betterment according to the figures read by my hon. friend for 1921-22, and I think the reason was an increase in the fees.

Mr. BELAND: Was it the late government?

Sir HENRY DRAYTON: Yes.

Mr. BELAND: Did they increase the fees?

Sir HENRY DRAYTON: Yes. There was an increase in efficiency also, which is sadly lacking to-day.

Item agreed to.

West India cable, $19,466.57.

Mr. CALDWELL: Is this for repairs?

Mr. LOW: The vote last year amounted to $29,199. This covers a period up to the 30th of September. At that time the contract was under the Post Office Department. At present most of these cable companies are under that department. It was thought well to transfer this to the service. Shortly after this agreement was signed war broke out and the company's operating expenses consequently increased in a manner not contemplated when the agreement was signed. The company's financial condition was carefully looked into by the Canadian High Commissioner in London in 1921, and he reported that their position was precarious and not likely to change materially during the remaining years of the contract. Last year we had a communication from the British government stating it was the intention to build a new cable and they asked the Dominion government if they would participate in the cost. They sent forward a figure, our portion of which would exceed the amount we had been paying. I cabled back to our High Commissioner stating we were ready to contribute as long as the amount was not in excess of the amount we had been paying for a number of years. Tenders had been called for some time ago which showed a very much increased amount, and I suggested to the members of the Imperial conference when they were going

over—the Prime Minister and other members of the government—that they should point out to the British members of the board that new tenders should be called in order to see if the price would not be reduced, with the result that I think there will be a saving to this country. In the amount which was first suggested by the British government according to the tender they had received, there was not. As the result of my cable asking assurance of no increase the British government re-examined their tender. There will now be a saving of from $16,000 to $20,000 in which Canada will share.

Sir HENRY DRAYTON: Will we have an interest in this cable?

Mr. LOW: Yes.

Mr. MEIGHEN: We have a proprietary and contractural interest in the cable, if my memory serves me right, and the whole thing is based on a contract which extends over a number of years, and which fixes our liability and also our rights, and I well recall that the condition was improving for us year by year. We had a certain amount to pay, but we had an interest in profits, and I am satisfied from memory that a large sum was coming about the time we left office. I would like to know how that has worked out. The venture was proving very successful, and the Canadian interest improved considerably.

Mr. LOW: It was found that the cable would have to be renewed, and when the Prime Minister went to London last year, I pointed out to him that tenders had been called for. The matter was taken up by the Prime Minister in London last November, and he expressed the final consent of the Canadian government to the scheme stating that drafts of the proposed legislation in the British parliament as to the final scheme and powers of the Pacific Cable Board were satisfactory. That was the cable received from London, I might say. The Minister of Trade and Commerce replied by cable to the Prime Minister in London agreeing to the proposed arrangement, providing that the cost of the subsidy to be paid would not be in excess of that now paid for the service. That cable I addressed to the Canadian Prime Minister in London. The proposal is not that Canada should pay a subsidy, but that she should assume her share of the annual deficit which would be considerably less than the subsidy paid at the present time. The Pacific Cable Board will construct and operate the new system which is expected to be ready by October first, when the West Indies and Panama Telegraph Company will go out of business. Canada's interest in regard to the Pacific cable is looked after by the Post Office Department and Canada's representative on the board reports to that department from time to time. The Minister of Trade and Commerce has accordingly written to the Postmaster General asking if this department will take over Canada's share of this service from October first, 1924.

Mr. MEIGHEN: I do not know whether the minister has the date of it, but I would like to get if possible the contractual relationship, not in detail but in the large—the main features of it. I think we have a contractual interest in it, and there were expectations, if I could not use a stronger word, that we should not be paying half of what we were paying before, but rather by this time we should be getting a revenue. I am only making this statement as a matter or recollection, and I should like to get the facts.

Mr. LOW: The agreement with the West Indies and Panama Telegraph Company expires on September 30th, 1924, and we have therefore to provide for only one-half the usual vote. The above amount is Canada's share, £4,000, of the cost of cable communication with the West Indies, under the joint agreement between the British government, the Canadian government and the West Indies and Panama Telegraph Company. The agreement with this company came into operation on October 1, 1914, for a period of ten years and the payments since its inception have been gradually increasing.

Sir HENRY DRAYTON: The minister is right about that.

Mr. MEIGHEN: The minister is right on one point, I know that; nor do I say that any part of what he has read is wrong. The reason for the reduction by half this year of what it was last year is simply because the contract expires in a half year.

Mr. LOW: I explained that to the committee.

Mr. MEIGHEN: I did not get the explanation. The minister was trying to impress the committee at first that it was due to some arrangement which the Prime Minister had made in England.

Mr. LOW: No, I explained that this covered only to the 30th of September of this year. I said that.

Mr. MEIGHEN: The minister said that the last time.

Mr. LOW: I also said that it accounted for the vote being so small this year.

Mr. MEIGHEN: The minister says that the expenses have been going up; but I noticed that the amount voted was, as I expected, exactly the same to a cent. Every year as far back as I can trace the estimate —as far back as 1918—it has been exactly the same. This year it is just half as much, to a cent.

Mr. LOW: How does the hon. member figure out that it is just half?

Mr. MEIGHEN: The amount before was $38,933.33 and this year it is $19,466.67.

Mr. LOW: But that is for the half year.

Mr. MEIGHEN: Yes, of course it is for the half year, and this is in pursuance of the contract. There has been no extra expense year by year, or at any rate none has been yet revealed. The minister however spoke about its costing more each year.

Mr. LOW: I said it was gradually increasing. For example, in 1919-20 it was $33,723; in 1920-21 $34,066; in 1921-22 $38,917 and in 1922-23 a little larger. Probably this year it will go up slightly. My hon. friend said that it should be a profitable investment by this time but it has not turned out that way so far as money goes.

Mr. MEIGHEN: The amount voted every year has been the same to a cent up to this year, when for half the year it is exactly half the annual amount. It does not seem reasonable that if we were only estimating the amount we should estimate it to the accuracy of a penny.

Mr. ROBB: We do that in most departments; we always estimate a little more than we spend.

Mr. MEIGHEN: But you estimate in round figures, in hundreds or thousands.

Mr. ROBB: This probably was based on a contract.

Mr. MEIGHEN: Yes, of course; it is based on a contract and we are paying the same amount each year. I will not press the point further. Will the minister answer this: What will happen after October? Does the contract fully expire? Have we no rights from October 1 on and if we have, what has the department in contemplation as respects this cable?

[Mr. Low.]

Mr. LOW: The British government expects to build a new cable.

Mr. MEIGHEN: What are we going to do about the matter?

Mr. LOW: We shall pay this amount to the British government.

Mr. MEIGHEN: We shall continue the same payment?

Mr. LOW: As I have said, there may be a slight increase.

Mr. MEIGHEN: We are going to pay on the same basis after October 1 as before?

Mr. LOW: Yes, I insisted that it should not be higher.

Mr. MEIGHEN: I am disappointed that it is not a great deal lower.

Mr. LOW: How does my hon. friend expect it to be lower when it is going up a little?

Mr. MEIGHEN: Because the earnings of the cable have been far greater. I know it was expected that we should get a profit soon.

Mr. LOW: My hon. friend knows that the company is in bad condition financially.

Mr. MEIGHEN: I did not know it. Is that the case?

Mr. LOW: Yes.

Mr. CALDWELL: Has the government ever got any revenue from the cable?

Mr. LOW: No.

Mr. CALDWELL: Has the British government accepted the offer of the minister that we shall pay the same in future as we have done in the past?

Mr. LOW: Yes, I think they have accepted it.

Mr. CALDWELL: I understand that at the end of September, 1924, the service will be handed over to the Post Office Department and a vote will be provided in their estimate.

Mr. LOW: Yes, there will be an item there to cover the rest of the year.

Mr. MEIGHEN: This is not really a saving but a transfer.

Mr. LOW: There is no saving. I stated at the outset that this would cover the period to September 30, 1924, when the matter would be transferred to the Post Office Department and a further vote would appear.

Item agreed to.

Amount required to recoup A. E. Bryan, $4,000.

Sir HENRY DRAYTON: Who is Mr. Bryan, and why should he get $4,000?

Mr. LOW: Mr. Bryan is our trade representative in Japan. He lost all his household effects during the earthquake, and he asked the department to allow him a certain amount to recoup his loss. He presented a bill for 13,575 yen.

Sir HENRY DRAYTON: A yen is 50 cents.

Mr. LOW: At the time that was equivalent to about $6,786. I thought we should at least do something to compensate him and I suggested this amount of $4,000.

Item agreed to.

Miscellaneous—Patent Record, $35,000.

Mr. MEIGHEN: Mr. Chairman, we were here last night until a quarter past one, the night before until ten minutes to one, and the night before that until about twelve twenty-five. The minister should not carry us into something else to-night.

Mr. CAHILL: It is only eleven o'clock now.

Mr. LOW: There are not many items in the patent vote.

Mr. MEIGHEN: Is the minister not going to adopt the suggestion which I made? It is a good deal earlier than usual I know, but it is after the hour which the Prime Minister set as a reasonable hour for adjournment. We have not gone on very fast,—

Mr. LOW: We certainly have not.

Mr. MEIGHEN: —but the delay has not been here.

Mr. LOW: I certainly have taken more time with my estimates than I expected. However, I am not complaining. But we are all very anxious to get through with the work of the session, and I think an hour or so more would not be wasted in passing the estimates of the Patent branch.

Mr. MEIGHEN: It is all right for the minister, when he gets his estimates through he is done; but we have to sit here and watch every item.

Mr. LOW: I am never done.

Mr. MEIGHEN: We do not want to be imposed on. We have been very reasonable with the minister. Every time when we went past eleven o'clock with our estimates a terrible row was raised.

Mr. BELAND: In this connection there is a consideration that perhaps will appeal to my right hon. friend the leader of the opposition. The Minister of Trade and Commerce is a member of the Redistribution committee, and the province of Ontario is now under consideration by a sub-committee of which he is a member. I am informed that this sub-committee expect within three or four days to be able to present a unanimous report to the whole committee The idea of proceeding further to-night is to enable my hon. friend to take up his work on the sub-committee next week.

Mr. MEIGHEN: It would seem to me that if the minister is engaged on that work it is strange that his bills and his estimates should have been before us continuously during the last three days.

Mr. BELAND: The hon. member felt that he would be a good deal more at ease with his work on the Redistribution committee if he had his estimates disposed of.

Sir HENRY DRAYTON: He has been furthering its work by keeping away from it for the last two or three days. I appreciate the point.

Mr. BELAND: But he expected to get through with his estimates a good deal earlier. We do not complain; it is nobody's fault in particular, only reasonable and regular information having been asked for by hon. members and supplied by the minister. As I have said, he is anxious to get through with his estimates in order to devote his time for the first two or three days of next week to the consideration of the readjustment in Ontario.

Mr. CALDWELL: I think in view of the fact that we are not yet sitting Saturdays we might very well go on for another hour. I cannot believe the right hon. leader of the opposition is serious when he says there was fault found if he went past eleven o'clock when he was in charge of the administration, because I sat here for two sessions while he was in power and I think I am safe in saying that I never remember the House adjourning at eleven o'clock. Indeed, I have seen new estimates brought down after twelve o'clock and discussed for two hours. He should not object very strenuously, especially towards the end of the session. We are all anxious to get through some time this summer, and if the right hon. gentleman would not object too strenuously it seems to me we might dis-

pose of some of these estimates. To-morrow is Saturday, and we can very well afford to sit until twelve o'clock to-night.

Mr. MEIGHEN: It is perfectly true that we did sit after eleven, often after twelve o'clock, but we never did it with the acquiescence of the opposition and were always met with a row. And what is more, we were met with something altogether different from the reception which we have given these estimates. If the minister would have some one in front to supply him with information it would very much expedite progress; no minister can hunt up information with the detail required without creating serious delay. Then we devoted an hour or two to-day and an hour or two yesterday to another bill of the minister's, and nobody in this House would suggest that the delay was the fault of any member on this side. I do not think it would be necessary for me to suggest whose fault it was. Then why should we, who sat last night until one o'clock and who have committees every morning, be called upon to go through that process every night? It is unreasonable, it is irrational, and it does not conduce to the expeditious conduct of business.

Mr. ROBB: My right hon. friend is quite right, we have been working overtime and have done fairly well. My hon. friend the Minister of Trade and Commerce recognizes that. He suggests that we might put through this Patent Record item, and then adjourn.

Sir HENRY DRAYTON: If we can get that through without any explanation, I would let it go.

Mr. SPENCER: When this item was up last session I think the minister told me that the fees charged took care of the expenses. Is that the fact?

Mr. LOW: The item amounts to $35,000 and has been reduced by $10,000. The expenditure for 1922-23 was $36,397.20; for the current year to February 29, 1924, it amounted to $31,365. The Patent Record is a publication issued pursuant to section 60 of the Patent Act. It appears every Tuesday, which is the only day that patents are issued. It gives to the public a brief description of every patent on the day it is issued. This is useful in enabling the public in general and inventors in particular to ascertain what inventions are covered by patents without the trouble of visiting the patent office. One thousand copies are printed, the distribution being as follows: subscribers, 364; exchanges, 48; free list, libraries, 231; government, 106. It is sent out only to those on the free list who have expressed a wish to receive it. The annual subscription is $4 and the price of a single copy is 10 cents. The amount received last year from subscriptions and the sale of single copies was $1,859.19.

Mr. MEIGHEN: What is being cut out to effect the reduction?

Mr. LOW: It is economy in service.

Mr. MEIGHEN: What answer is that?

Mr. LOW: It may not suit my right hon. friend, nevertheless it is true.

Mr. MEIGHEN: What information does one get from that? This is why there is delay and why we are kept here all hours of the night. I asked, what is cut out? Are there men cut out? Is some part of the publication cut out? The answer I get is that there is economy in the service.

Mr. LOW: There has been a reduction of about thirty in the staff. The temporaries were retired first and some were retired under the Calder Act.

Mr. MEIGHEN: Are the patents issued fewer now?

Mr. LOW: I do not think so. It does not necessarily follow that fewer men will not do the same amount of work.

Mr. MEIGHEN: I notice that previous to 1921 it was $61,000 and that it was then cut to $45,000. Some different system must be adopted and I would like to know what it is. Apparently under the late government there was a reduction of $16,000; now the reduction is $10,000.

Mr. LOW: There is quite a reduction in the staff.

Sir HENRY DRAYTON: This is in connection with records—do not mix them.

Mr. LOW: A number of clerks are paid out of this vote. The permanent staff and the temporary staff amount to 84 to-day as against 114 on the first of April, 1923. For salaries last year there was voted $177,000; this year we ask for $149,000. For contingencies last year we asked for $35,000 and this year $30,000. The Patent Record cost $45,000 last year and this year it has been reduced to $35,000.

Mr. MEIGHEN: Now we will come back and see if we can get the information, though I am really not very hopeful. This is the

Patent Record. The minister talked all round the bush about the employees of his department in the Patents branch, which has nothing to do with it. We tried to tell him that it had nothing to do with it, but he persisted. If the cost of publishing the Patent Record is less, there must be a reason for it. Perhaps the reason is that it is smaller, that the patents issued are fewer, that the information given is less, or that the cost of printing is less. I have asked which it is and I have been given all sorts of talk about something that does not pertain to it at all. I cannot get an answer to the simple question.

Mr. LOW: Well, a reduction has been made in the issuing of the Patent Record, we will agree upon that. As to the details of how it is arrived at, if my right hon. friend wishes this item to stand over I will get the information for him to-morrow, or perhaps he will accept my word that I will get it, and in the meantime allow the item to go through.

Mr. MEIGHEN: Well, we will let the item go through, so far as I am concerned, if the minister will get the information for to-morrow?

Item agreed to.

Progress reported.

On motion of Mr. Robb the House adjourned at 11.30 p.m.

Monday, June 23, 1924

The House met at three o'clock.

DEPARTMENT OF NATIONAL DEFENCE

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, I beg to lay on the Table of the House the French edition of the report of the Department of National Defence, together with several orders in council relating to the department which, under the statute, are required to be also placed on the Table.

PRINTING OF PARLIAMENT

Mr. C. A. GAUVREAU (Temiscouata): Mr. Speaker, I move, seconded by Mr. Pelletier:

That this House doth concur in the third report of the joint committee of both Houses on the printing of parliament, with the exception of the last paragraph thereof.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it occurs to me that the proper procedure would be to refer the motion back.

Mr. SPEAKER: The same question came up in 1884, and in the drafting of the motion I followed the form which will be found in the journals of the House of that year, namely:

On motion of Mr. White (Cardwell), seconded by Mr. Bergin, resolved, that this House doth concur in the Sixth Report of the Joint Committee of both Houses on the printing of Parliament, with the exception of the last paragraph thereof.

It is the usual procedure. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

BANKING AND COMMERCE COMMITTEE

Mr. THOMAS VIEN (Lotbinière): I beg to move that the tenth report of the select standing committee on Banking and Commerce be concurred in.

Motion agreed to.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. E. C. St. PERE (Hochelaga): Mr. Speaker, may I ask the Acting Postmaster General (Mr. Stewart) if he has received a telegram from the Montreal postal employees to the following effect?—

The post office employees of Montreal are ready to return to work provided the government will grant an independent board of arbitration with equal representations to employees, findings to be accepted by all concerned; pending negotiations all employees to return to work to former positions. This proposition similar to demands of Toronto.

Now, may I add a few words—

Mr. SPEAKER: Order. The hon. member will understand that he can only put a question at this time.

Hon. CHARLES STEWART (Argenteuil) (Acting Postmaster General): Yes, Mr. Speaker, I am in receipt of that telegram as well as one of a similar character from the striking postal employees of Toronto. I replied that the government would not under any circumstances consider arbitration with the striking employees.

Mr. Speaker, in fairness to parliament I think I should make a short statement with respect to the strike of postal employees. At the moment all points at which a strike was declared are normal, except Toronto and Windsor. For some reason or other we have had considerable difficulty at Windsor. At Toronto on Saturday, in compliance with the order sent out by me, a number of men endeavoured to get back to work. They had a meeting at night, and of course were unable

to offer themselves before eight o'clock the following morning, but owing to the crowd then gathered around the post office they were unable to register. Having definitely assured myself that that was the case, I have extended some leniency to employees at Toronto and Montreal who exhibited a desire —indeed, so expressed themselves to the postmaster—to return. In their cases we are giving the postmaster the right to exercise his judgment as to whom he shall take back, the men to go back as new recruits.

Mr. MEIGHEN: What is the minister's justification for saying that things are normal in Montreal, in view of the telegram just read?

Mr. STEWART (Argenteuil): That telegram was despatched Saturday.

Mr. MEIGHEN: It got normal since?

Mr. STEWART (Argenteuil): Absolutely. I think I can assure my right hon. friend that mail despatched from Ottawa this morning will be delivered by carriers this afternoon in Montreal.

Mr. MEIGHEN: I do not mean that. I mean, is the strike over in Montreal?

Mr. STEWART (Argenteuil): Well, those men who went out, 560 odd, are still out.

Mr. ST. PERE: Mr. Speaker, I was at a meeting of the local strikers in Montreal. I hate to call them "strikers"—a word which is much misunderstood in certain quarters—because I consider their cause is just. They represented to me that they had never been informed of the contents of the telegram sent by the hon. minister to the federation on the day previous to the strike, because if such had been known to them they would not have gone on strike. I think, therefore, that there must be an embroglio somewhere and that their present claim for an arbitration board is justified. It seems very strange that the Montreal men were not informed of the contents of that telegram. Are we to infer from that that they were misled by members of their federation? I would like an explanation from the minister.

Mr. STEWART (Argenteuil): I have no knowledge as to whether the striking post office employees were informed of the contents of that telegram. It was forwarded to the Canadian Federation of Postal Employees at Toronto, who were the head and front of the organized effort in connection with this strike. In addition, the postmasters at Montreal, Toronto, Windsor and Kitchener and other points where the men were on strike were sent copies of this telegram and instructed to give it the widest publicity. We also endeavoured to secure publicity through the press so that all might be informed. I am sorry if the employees at Montreal were not informed by their chief executive, but I took every step in my power to make the matter public.

BUSINESS OF THE HOUSE

SATURDAY SITTINGS

On the Orders of the Day:

Mr. L. J. LOVETT (Digby-Annapolis): Mr. Speaker, I should like to ask the Prime Minister when the government intends holding Saturday sittings. It would certainly expedite business, and I understand that very many hon. members favour this course.

Mr. GAUVREAU: And morning sittings also.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the government contemplates beginning morning sittings on Monday of next week. As to whether we shall sit on Saturday of this week I cannot say at the moment; the probability is that I will be in a position to state definitely by Thursday next.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I do not think it is customary to sit mornings or Saturdays until an arrangement has been made for the close of the session. When we are able to make that arrangement, of course I shall have no objection to the usual practice being followed.

Mr. T. W. CALDWELL (Victoria and Carleton): Mr. Speaker, I apprehend that the government does not contemplate morning sittings until the work of the committees is over. At the present time several important committees are sitting every morning except Saturdays. I think we might more conveniently sit Saturdays until these committees conclude their business.

Mr. GAUVREAU: What difference does it make? They are sitting whether the House is sitting or not.

Mr. CALDWELL: Not many of them are sitting when the House is in session.

Mr. GAUVREAU: We can have morning sittings just as well. We want to go home.

FURTHER LEGISLATION

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): May I ask the Prime Minister if he has any other legislation for this session besides that announced to the House on the ninth of June?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As far as I recall at the moment, the announcement I made on that occasion covers all the legislation that the government contemplates bringing down this session.

SUPPLEMENTARY ESTIMATES

Sir HENRY DRAYTON (West York): Will my hon. friend the Acting Minister of Finance (Mr. Robb) explain the reason for the delay in bringing down the Supplementary Estimates? The British Columbia election is now past, is there any further necessity for withholding the information in connection with the elevator at Vancouver? Everybody apparently wants to get home, but we do not know what we can do until these Supplementaries are brought down. Of course, if my hon. friend can tell us that there are to be no further estimates, the announcement will expedite our proceedings.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, I was in hope that there would be no Supplementary Estimates, but the persistency of my hon. friend has chased away that hope. There will be Supplementary Estimates, and I hope to place them before the House within a few days.

THE SOVIET AND UKRAINIAN REPUBLICS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, on June 16 I asked the Prime Minister whether the agreement between England and Russia of July 3, 1922, was endorsed by Canada, and whether the government of Canada had definitely recognized the union of the Soviet Socialist Republics; and, further, whether the government recognized the so-called Ukrainian People's Republic. I put the question because of certain actions now before the courts. It seems to me only reasonable that we should know where we stand in this regard.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I regret having been absent from the House one or two days last week and thus unable to answer my hon. friend's question. By minute of council of December 26, 1921, the Canadian government approved a formula suggested by His Majesty's government to make applicable to Canada the provisions of the trade agreement between His Majesty's government and the Russian Soviet government of the 16th March 1921. Effect was given to this decision by an exchange of notes dated the 3rd July, 1922, between the foreign office and the Russian trade delegation in London, so that the agreement should apply to the Dominion from that date. Canada's formal recognition of the union of Soviet Socialist Republics was conveyed to their offical agent in Canada, Mr. A. Yazikoff, in a letter from the Prime Minister dated the 24th March, 1924. Among the States included in the Union of Soviet Socialist Republics which Canada has recognized is a Ukrainian Socialist Soviet Republic. Canada has not, however, recognized the Ukrainian People's Republic.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I would ask the Prime Minister to lay on the Table the papers, especially the letter—I presume it was—in which we recognized the states referred to.

PRIVATE BILL

SECOND READING

Bill No. 196, for the relief of Annie Thirde.—Mr. Hocken.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MR. MARTIN T. O'BRIEN

Hon. Mr. BAXTER:

1. For what reason was Martin T. O'Brien of Noel, Hants County, dismissed from the Department of Customs?
2. Is it true that he was notified that it was on account of active political partisanship?
3. If so, what constituted such active political partisanship?
4. What evidence did the department have of it?
5. Who supplied the proof and in what form was it?
6. Was O'Brien given a hearing? If so, before whom and when?

Mr. LAPOINTE (for the Minister of Customs and Excise):

1. Active political partisanship.
2. Yes.
3, 4 and 5. On statement of member of parliament.
6. No.

CARRIAGE OF MAILS

Mr. HOCKEN:

1. What was the total amount paid to the Canadian Pacific Railway for carrying the mails in 1923?
2. What was the total amount paid to the Canadian National Railways for carrying the mails in 1923?
3. What is the total mileage of the Canadian Pacific Railway in Canada?
4. What is the total mileage of the Canadian National Railways in Canada?

Hon. Mr. COPP:

1. Fiscal year 1923-24, $3,658,937.40
2. Fiscal year 1923-24, $3,166,026.34.
3. 13,423.9.
4. 20,561.15.

CANADIAN NATIONAL RAILWAYS—SECURITIES

Sir HENRY DRAYTON:

What is the aggregate amount of bonds, debentures, debenture stock (perpetual or terminable), or other securities now issued in respect of the mileage of lines of railway either constructed, acquired, owned or controlled by the Canadian National Railways (a) in gross; (b) per mile?

Hon. Mr. GRAHAM:

Canadian National Railways (exclusive of Canadian Government Railways):

Outstanding Funded Debt	$856,147,056
Government Loans	534,822,479
	$1,390,969,535

Owned road mileage, 15,668.41.
Average per mile, $88,775.41.

Canadian National Railways (including Canadian Government Railways):

Funded debt..	$856,147,056
Government Loans	534,822,479
Government Appropriations a/c Canadian Government Railways..	447,643,526
	$1,838,613,061

Owned road mileage, $20,296.12.
Average per mile, $90,589.38.

Central Vermont Railway (controlled by Canadian National Railways):

Outstanding funded debt....	$15,062,900.00

Owned Mileage, 371.77 miles.
Average per mile, $40,516.71.

NEWS STAND—WINNIPEG

Mr. McQUARRIE:

1. Has space in or in front of the post office in the city of Winnipeg been rented for a news stand? If so, who received the privilege?
2. What rental does the government receive?
3. Is he a returned soldier?
4. Were any other applications for this space received, and if so, from whom?
5. Is it the policy of the government to give preference to returned soldiers in matters of this kind?

[Mr. Lapointe.]

Hon. Mr. KING (Kootenay): Owing to representations from the Winnipeg Board of Trade and other bodies, the government decided not to permit a news stand in front of the Winnipeg post office.

If a number of applications were received the privilege would go to the highest bidder. If a returned soldier bid were equal to highest tender it would be policy to give the returned soldier the preference.

MR. W. M. CORY

Mr. CHAPLIN:

1. Is W. M. Cory an employee of the Department of the Interior?
2. If so, when was he appointed to said department, to what position was he appointed and at what salary?
3. Was his appointment to said department made as the result of on open competitive examination?
4. Is the said W. M. Cory a son of the Deputy Minister of the Department of the Interior?

Hon. Mr. STEWART (Argenteuil):

1. Yes.
2. January 1, 1916, clerk, Dominion Parks branch, $600.
3. First appointment under authority of Section 79, Dominion Lands Act. Engagement ratified by Civil Service Commission and Auditor General. Appointed to present position by Civil Service Commission as result of promotional competition.
4. Yes.

CANADIAN PACIFIC RAILWAY COMPANY—SHARES HELD BY SENATORS

Mr. GERMAN:

1. Are any members of the Senate of Canada shareholders in the Canadian Pacific Railway Company?
2. If so, what are the names of such Senators?
3. How many shares of stock of the Canadian Pacific Railway Company stand in the name of each of such Senators?

Hon. Mr. GRAHAM: This question refers to a situation existing or that might exist between the Senate of Canada or its members and the Canadian Pacific Railway Company. That information could only be secured from that company, and I suggest that if the question is to be asked at all it should be asked in the Senate.

MILITARY AND CADET CAMPS

Mr. CHURCH:

1. Have the June military and cadet camps for the militia at Niagara and other places been abolished or discontinued for this year?

2. Why has no announcement been made to the House up to date or to the militia interested until recently of said abandonment?

3. Will the department recompense any boards of education in Ontario who have spent funds for camp preparation and training purposes in expectation of these camps being held this year and for failure of the department, to notify these Boards of the camp's discontinuance?

4. What military and cadet camps in Ontario were held in the year 1913, and for the years 1921-1924?

Hon. Mr. MACDONALD (Pictou):

1. The June military camps are being held throughout Canada in the form of camp schools and camps of instruction. Camps for cadets are not being held this year.

2. The usual practice has been followed—instructions were sent to military districts as soon as information was available.

3. Boards of education are not put to any expense in preparing for camps or training purposes as both these items are ordinarily borne by the cadet vote.

4. 1913. Military: Petawawa, Niagara, London, Barriefield. Cadets: London, Niagara, Barriefield, Fort William.

1921-22. Military: Cove Rifle Range, Carling Heights, Wiarton, Petawawa, Niagara Camp, Barriefield, Peterborough, Rockcliffe, Belleville, Cobourg. Cadets: London, Niagara on the Lake, Rockcliffe, Barriefield, Peterborough, Loon Lake, Belleville.

1922-23. Miltary: Port Elgin, Petawawa, Carling Heights, Niagara Camp, Owen Sound, Borden, Rockcliffe, Peterborough, Prescott.

Cadets: Nil.

1923-24. Military: Niagara Camp, Connaught, Peterborough, Iroquois, Petawawa, Barriefield, Picton, Muncey Indian Reserve, Arkona. Cadets: London, Long Branch, Barriefield, Silver Islet, Fort Frances.

HONOURARY COLONELS

Mr. CHURCH:

1. Is the office of "honourary colonel" still in existence in Canada for civilians, or has it been abolished?

2. Does it entitle this class of officer to wear a military uniform on all occasions, both civil and military and at will, and what is the rule regarding these officers' right to wear uniform?

3. Have any applications been received for leave by militia units to use pre-war uniforms of their respective units instead of khaki?

4. If so, has such leave been refused, and why?

Hon. Mr. MACDONALD (Pictou):

1. Still in existence.

2. Uniform may be worn on the following occasions: (1) On a definite military duty or parade; (2) Other occasions when on the special authority of the District Officer Commanding the Military District concerned.

3. Yes.

4. Units of the non-permanent Active Militia, other than the bands thereof, are not permitted to wear pre-war uniform, having due regard to funds not being available to outfit the whole of the non-permanent Active Militia with this uniform.

LEASE OF LAND AT MIDDLETON, N.S.

Mr. HANSON:

1. Has the government leased the lot of land in Middleton, Nova Scotia, purchased as a site for a public building, or granted any right or privilege therein to any person, and, if so, to whom and upon what terms?

2. If the said land has been leased, was the town council or other local authority consulted before such action was taken?

Hon. Mr. KING (Kootenay):

1. To Mr. Phinney for an ice cream stand, at a rental of $3 per month.

2. No.

INCOME TAX REVENUE

Mr. SPENCER:

1. What was the gross income tax collected in each of the provinces of Alberta, Saskatchewan and Manitoba, for the year ending the 31st March, 1924?

2. What was the net income tax collected in each of the same three provinces for the above-mentioned period?

Hon. Mr. ROBB:

1. Alberta, $1,369,224.24; Saskatchewan, $1,090,395.70; Manitoba, $3,731,074.78.

2. Alberta, $1,270,287.79; Saskatchewan, $927,194.04; Manitoba, $3,625,930.37.

AMOUNTS DUE CANADA BY ROUMANIA AND GREECE

Mr. RINFRET:

1. What is the actual amount due to Canada by (a) Roumania; (b) Greece?

2. What amount of the said sum represents unpaid interest due by each of the above-mentioned countries?

3. What amount of interest has been paid, and on what dates, by (a) Roumania; (b) Greece?

Hon. Mr. ROBB:

1. (a) Roumania, $23,969,720; (b) Greece, $8,174,274.57.

2. (a) Roumania: In consolidating the Roumanian debt as of October 1, 1922, at the above-mentioned figure, unpaid interest of $3,502,213.29 was added to the original principal. There have been no arrears since consolidation. (b) Greece: In consolidating the Greek debt as of December 31, 1922, at the above mentioned figure, unpaid interest of

$625,973.90 was added to the original principal. There have been no arrears since consolidation.

3. (a) By Roumania:

April 1, 1923	$ 479,390 00
October 1, 1923	479,390 00
April 1, 1924	479,390 00
	$ 1,438,170 00

(b) By Greece:

August 24, 1920	$ 7,834 79
October 8, 1920	53,160 61
January 15, 1922	273,949 14
February 22, 1922	141,327 75
August 4, 1923	225,000 00
December 29, 1923	225,000 00
	$ 926,272 29

UNOPPOSED MOTIONS FOR PAPERS

CANADIAN NATIONAL RAILWAYS—COAL

Mr. CARROLL:

For a copy of all letters, telegrams, receipts, vouchers, tenders, awards and other documents having reference to or bearing on an item of $8,907,846.06, Canadian National Railways, Toronto, coal, as appears in Auditor General's Report, year ending March 31st, 1922, volume III, at page W-165, including the names of the persons, firms and corporations from whom the Canadian National Railways purchased said coal and the prices paid therefor and any contracts in writing relating to said coal.

DESTRUCTION OF BARBERRY BUSHES

Mr. LOVIE:

For a return showing the names and addresses of persons residing in the provinces of Manitoba, Saskatchewan and Alberta growing barberry bushes or hedges, who have been requested by the federal Department of Agriculture to destroy them and have failed to comply with the request.

WEMBLEY EXHIBITION—CANADIAN SPACE

Mr. CHURCH:

For a return showing (1) All rules, regulations, ordinances, regarding the allotment of exhibit space by the officials in charge of the Canadian section of the Wembley Exhibition, copy of any available correspondence on space allotment between the government of Canada and its agents in charge of this building, and a copy of the order re allotment of space, showing the amount assigned to each province.

(2) A statement showing the estimated cost to the government of the Canadian exhibit, (a) for buildings; (b) for government exhibit and incidentals; (c) a list of the chief officials and their salaries.

(3) A statement or copy of any agreements between the provinces and Dominion as to space, or between the government of Canada and any city in Canada or Canadian fair as to space, showing the allotment.

ISENBERG LEASES

Mr. KENNEDY (Edmonton):

For a copy of all letters, telegrams and other documents passing between J. A. Schryburt and the Prime Minister or other members of the government, relative to the Isenberg leases.

[Mr. Robb.]

BILLS OF EXCHANGE ACT 1906, AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) 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 Bills of Exchange Act, Revised Statutes, 1906, Chapter 119, by providing a tariff of fees to be charged by notaries for their services in all the provinces for presenting and noting for non-acceptance or non-payment any bill of exchange or promissory note, for protesting the same, keeping the same on record, furnishing copies and sending notices, and other matters incidental thereto.

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

Motion agreed to.

CUSTOMS ACT, 1906, AMENDMENT

Hon. ERNEST LAPOINTE (for the Minister of Customs and Excise) 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 Customs Act, Revised Statutes, 1906, Chapter 48, by providing that in estimating the damage by breakage upon brittle goods, such as crockery, china, glass and glassware, under the provisions of the said act, such allowance or damage shall only be made and allowed for the amount of loss in excess of fifteen per cent of the whole quantity damaged, and a period of fourteen days from date of entry or arrival of such goods shall be allowed within which to claim abatement for damage.

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

Motion agreed to.

BANK ACT AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) 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 Bank Act and to provide for the payment out of the Consolidated Revenue Fund of the costs incident to a system of government inspection of banks, with provision for the recoupment of such expenses by assessment upon the chartered banks.

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

Motion agreed to.

CONSOLIDATED REVENUE AND AUDIT ACT AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 198, to amend the Consolidated Revenue and Audit Act.

Sir HENRY DRAYTON: Explain.

Mr. ROBB: This is the bill I explained to my hon. friend the other day.

Sir HENRY DRAYTON: Is this the one about the signatures?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: All right.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Signatures to debentures, bonds, etc.

Mr. MEIGHEN: I would remind the minister that this is not among the bills announced on Friday night, but as it is not of a contentious nature I am not going to press the objection.

Mr. MACKENZIE KING: Yes, it was the first one announced.

Sir HENRY DRAYTON: I just want to have the effect of this clause clear. I understand that the whole effect of it is to enable the bonding signature to be affixed to these bonds without going through the form of signing—for there is a tremendous lot of them—but using mechanical means instead. I just want to be sure that we have the same safeguard in connection with this process of signing bonds that we have to-day in connection with our bills and notes.

Mr. ROBB: Exactly the same.

Section agreed to.

On section 2—Signature of deputy.

Sir HENRY DRAYTON: This is necessary, I presume, in order to give effect to the first clause.

Mr. ROBB: It is also necessary so that if, for instance, we were required to sign issues outside Canada we could authorize someone to replace the deputy.

Mr. MEIGHEN: I am no authority on the question, but is it not necessary to take greater precaution with bonds than with bank notes? The science of bank note printing has become so highly technical and perfected that forgery is very, very difficult; with bonds the same is not true. One would think that this allowing of stamps on bonds might be very risky.

Mr. ROBB: The officials of the department, from their experience, contend that it can be worked just as well with bonds as with bank notes, and the same precautions will be taken as we now take with Dominion notes.

Mr. MEIGHEN: Yes, but my point is this: That the bank note construction is very complicated and technical, designed through many, many years to make anything in the way of duplication impossible. Consequently the actual signature of a very important official is not so important as would be the actual signature of a very important official on the bonds, because a bond can be duplicated quite easily.

Mr. ROBB: This arrangement is optional, and I imagine the department will not exercise it unless they are perfectly satisfied they can safeguard the interests of the country.

Section agreed to.

Bill reported, read the third time and passed.

JUVENILE DELINQUENTS ACT, 1908, AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 27, to amend the Juvenile Delinquents Act, 1908.

Mr. MEIGHEN: Explain.

Mr. LAPOINTE: The purpose of this bill, as my right hon. friend will see, is to make some minor changes in the existing act. It was proposed to substitute an important clause, clause No. 4 for section 23 of the present act, but it was objected to in many cities, and I have therefore decided to withdraw the clause. The remaining changes have been asked for by the various associations interested in child welfare, and by the various courts that deal with juvenile delinquents.

Mr. MEIGHEN: Is that the historic clause which was strongly supported by Mr. Scott?

Mr. LAPOINTE: Mr. Scott was strongly in favour of that clause.

Mr. MEIGHEN: That is the one that is dropped?

Mr. LAPOINTE: It is dropped.

Mr. MEIGHEN: How does Mr. Scott feel about that?

Mr. LAPOINTE: I do not know.

Motion agreed to, bill read the second time, and the House went into committee, Mr. Gordon in the chair.

On section 1—"Juvenile delinquent" defined.

Mr. LAPOINTE: What is proposed here is simply to add to the existing clause the words:

Or who is guilty of sexual immorality or any other form of vice.

The act as at present framed does not cover such cases, and the judges have asked that these words be added.

Mr. MEIGHEN: On a hasty reading of the amendment, I gather that it virtually constitutes, as respects a juvenile, a new offence. I am not saying that, even if it does so, it is wrong, but the effect of it should be clearly understood. The Criminal Code clearly defines immorality of this character, but heretofore no juvenile guilty of it was a juvenile delinquent within the meaning of the act. If this goes through it virtually makes the judge the arbiter of what constitutes a vice on the part of a juvenile delinquent. This bill will take the matter out of the hands of parliament and the judge will be made the arbiter. Are we not going to get into a condition where we will have a rather variegated system of jurisprudence under which we will have a Nova Scotia magistrate deciding a thing is all right, and a Manitoba magistrate deciding it is all wrong?

Mr. LAPOINTE: A tribunal for children must be considered in quite a different light from a tribunal for other persons. It is not proposed to send children to gaol, or anything of that kind. The object is to have young boys and girls under the supervision of probation officers with the object of trying to reform them. A discretion will be given to the magistrates which they did not formerly possess. I do not think the provision is likely to be abused. In any case, the amendment is in the interest of the children themselves, and for the proper administration of the act.

Mr. MEIGHEN: Could the minister give us a definition of a "juvenile delinquent" as it has been used in legislation up till now?

Mr. LAPOINTE: Any child who violates any provision of the Criminal Code, any Dominon or provincial statute, or any by-law or ordinance in a municipality for the violation of which punishment by fine or imprisonment may be ordered, or who is liable by reason of any other act to be committed to an industrial school or juvenile reformatory under the provisions of any Dominion or provincial statute. We propose to add the words already quoted, which is really in conformity with the spirit of the clause it enlarges.

Sir HENRY DRAYTON: We are trying to make a new offence for children. We may be saying that something is a vice which possibly heretofore has not been regarded as such.

Mr. LAPOINTE: My hon. friend knows that violation of the ordinance of a municipality is not a vice or a crime. Still under the present law, it is enough to constitute a child a juvenile delinquent. This is simply to broaden the meaning of the act, and apply it to something which is really more important than the violation of any municipal law.

Sir HENRY DRAYTON: Yes, but we know what we are doing in the case of a municipal by-law.

Mr. LAPOINTE: The addition of these words has been suggested not only by the courts, but by all the organizations such as the Big Sisters and the Big Brothers, and associations for the protection of children, in Toronto, Montreal and all the big cities, especially in western Canada. All the probation officers and juvenile delinquent judges had a conference, I think last year or the year before, and they unanimously asked that this amendment should be made. I am not especially anxious to have the amendment placed in the statute if there is any objection; I am simply proposing to parliament what all those who are interested in child welfare work have asked for.

Sir HENRY DRAYTON: I am not objecting; I am simply trying to find out what the amendment means. Does my hon. friend say that the term "or other form of vice" will be confined to offences under the Criminal Code?

Mr. LAPOINTE: No.

Sir HENRY DRAYTON: I did not think he would. Then are we not permitting magistrates—some of whom may be and undoubtedly are very estimable men, although they are not all of that class—to assume the functions of parliament and to say that such and such an act is an offence? It may be a good thing to do; it may be a good thing to say that the whole list of actions having regard to children ought to be looked upon as vices. But if we are going to do that we might consider the child himself to some extent, and also the child's parents. I am afraid this might permit a magistrate to take

a child from its parents under circumstances which the parents themselves might say were perfectly harmless. In other words before the Criminal Code is invoked against any individual should it not be plain that it is in connection with some offence we already know about, some statutory offence which is already defined, and which will limit the possible intervention of a busybody? If the hon. gentleman would just point out what is meant by these words, we would understand it. What kind of an offence could his own child be arrested for? He cannot tell us. The former limitation was fourteen years, what is the present limitation?

Mr. LAPOINTE: Sixteen years.

Sir HENRY DRAYTON: Does my hon. friend not think that it would be a good thing if the children of Ontario should know that they would be treated the same way as the children of Quebec, and vice versa, and that they could be given to understand that they are being looked after by the lawmakers of their country upon some well-recognized principle in regard to the offences with which they may be made accused? Does my hon. friend really realize that what we are doing here is asking each magistrate to define what vice is, and to legislate in effect upon each kind of vice and form of conduct, irrespective of any action of parliament? Suppose for example you have a child who engages in a game on the Lord's day—that game might consist of trundling a hoop. Some magistrate might absolutely conscientiously think that that was a vice, and might consider that the child was breaking a sacred law. Under this section could that child be taken from his parents and treated as a child requiring influences other than his home influence, in fact treated as a juvenile delinquent, while in the very next township you would very likely find a magistrate who would think that childish games on the Sabbath were not a vice and were not heinously illegal? There is also the other rule which might be applied. A magistrate might read this statute and consider himself bound by the old rule of ejusdem generis, which would confine use of these words to vices of sexual immorality. But if you read it in that way, the previous paragraph is so broad that I would have thought that these other words would be sufficient. I want my hon. friend to thoroughly understand my point before he replies. My suggestion is not that I think these children should not be looked after by the juvenile court; it is not that we should not do everything we reasonably can do in order to strengthen the hands of those administering justice in the juvenile court; there is no question we ought to do that. But, having regard to the very important question, ought there not to be a rule for juvenile offenders and ought there not to be a law for them? Ought not a child to have just as much protection as an adult before it can be arrested?

Mr. LAPOINTE: As I stated, this amendment has been suggested by associations for the protection of children. I have one letter from the Toronto League of Women Voters, suggesting the words "or who is guilty of sexual immorality or any other form of vice". I agree with my hon. friend that in ordinary legislation and in ordinary cases it would not be desirable to leave the words "or any other form of vice" in that vague form. But the point must arise that the whole spirit of the act is to protect children, and to give the magistrates who are appointed for the purpose of presiding over these juvenile courts more latitude and larger discretion. It is not designed to do any harm to children or their parents, but to help them. It has been considered, in the experience of those judges who are spending their time in that social work, that the clause as it stands on the statute is not sufficiently broad to give them all the latitude which they require. After discussing the matter with those who are promoting the legislation, and after offering the suggestions which my hon. friend has offered, I thought there were good and sufficient reasons in support of the amendment, and I have taken the responsibility of presenting this bill to the House. But I did not originate the clause myself.

Mr. BOYS: What is the right of appeal? I think there should be a right of appeal. I imagine in the main the clause would work out all right. I can conceive of cases where perhaps injustice might be done, but so long as protection by way of appeal is afforded, I would be disposed to support this amendment.

Mr. LAPOINTE: I do not see any right of appeal in the Juvenile Court Act.

Mr. CRERAR: I am inclined to agree with the criticism of the hon. member for West York (Sir Henry Drayton). I can quite understand the desire of certain people and certain organizations to strengthen the legislation in this respect, and if I were certain that magistrates would always exercise a wise discretion I think I would have no objection

to this provision. But it seems to me to give too much latitude to the magistrate as the provision stands at present. For instance, a young boy of fifteen years might be caught smoking cigarettes, and some person whose sensibilities would be outraged by such conduct might lodge a complaint. That boy might be brought before the magistrate; the magistrate might be of the same turn of mind as the complainant, and the boy consequently would become a juvenile delinquent. I am not overstating the case when I give that as an illustration. I do not know that it is wise to clothe magistrates with that extensive power. As it stands it would incorporate a rather dangerous principle into our criminal procedure.

Mr. MEIGHEN: I think I would be disposed to go as far in this direction as any hon. member of the House, as long as I felt that our footsteps were safe. I have the greatest sympathy with the organizations which have been conferring with the Minister of Justice, and I can realize their difficulties. I presume they encounter cases of depravity that do not come within the provisions of the code, and that cannot very well be brought within the terms of the code, as the code necessarily is applicable to all people old and young. The law as it stood up to the present time has been in brief this: That wherever an offence against the law is charged, we have never yet gone so far as to say to the magistrate: In the case of people below a certain age you shall be the judge of what is right or what is wrong; although this child may have offended against nothing within the purview of the code or a by-law or an act of a legislature, still if you think the child is committing what is not morally in its interest, we leave it to you to take care of it under the Juvenile Delinquents Act. That is very dangerous.

Mr. PUTNAM: Is the age not fourteen instead of sixteen?

Mr. MEIGHEN: The minister says sixteen. I would go this far, because I am disposed to go just as far as we safely can,—include the words "who is guilty of sexual immorality," but I would not like to allow any magistrate to define in his own mind what an offence is.

Mr. LAPOINTE: I am quite willing to accept the suggestion of my hon. friend and to amend the section as suggested. I move that the words, "or any other form of vice" be struck out.

Amendment agreed to.

Section as amended agreed to.

[Mr. Crerar.]

On section 2—Release on probation.

Mr. LAPOINTE: This is to authorize the court to adjourn from time to time the disposition of the case as well as the hearing. As the old section stood, the hearing could be adjourned; but when all the witnesses had been heard the judge had to dispose of the case immediately, although it might have been better that sentence should be suspended or judgment deferred and the boy or girl placed under the supervision of some probation officer or in charge of some good people. There is nothing contentious about this.

The second change in the section is that the fine which the court may impose is increased from ten dollars to twenty-five dollars. The judge, of course, still has discretion in regard to the amount, and he may impose a fine of one dollar if he thinks proper.

The last change is to give authority to the judge to impose such further or other conditions as may be deemed advisable. This was not in the original act. One condition, for instance, may be when the case is one of theft that the deliquent should make restitution of the money.

Sir HENRY DRAYTON: If that is the only matter that is sought to be covered, it is not necessary at all. As a matter of ordinary practice, my hon. friend well knows, a judge has often adjourned sentence in order to see whether restitution will take place or not. I know we always did that in the old days.

Mr. LAPOINTE: But no harm will be done by having that inserted. It may be for other purposes too, conditions in a general way. I am simply quoting this.

Sir HENRY DRAYTON: It cannot be for that. It must be for something else. Is it intended that further and other punishment may be inflicted?

Mr. LAPOINTE: No.

Sir HENRY DRAYTON: The word "condition" I suppose, has to do with the child's conduct. One condition you put on a man or on a child is restraint. Does this mean that there is the possibility of other penalties being inflicted?

Mr. LAPOINTE: No. I do not think my hon. friend is doing justice to those who are asking for these amendments. They are not trying to punish the children; they want

to protect them, to help them. This is rather so that they may have more discretion for the child's own benefit. My hon. friend seems to think there is something mysterious about the whole matter and that they want to punish somebody. If that were the spirit of the amendments, my hon. friend would be right; but it is not. I do not think there is anything very dangerous in this.

4 p.m.

Sir HENRY DRAYTON: I do not know that there is. I am trying simply to find out what the minister really wants done.

Mr. LAPOINTE: I will give my hon. friend the reasons that have been given to me by those who are really promoting this bill:

The fourth amendment proposed to subsection one of section sixteen by adding the words "and may impose upon the delinquent such further or other conditions as may be deemed advisable," is again for the purpose of giving the court wider discretion in dealing with children for their betterment. The right to impose conditions as, for instance, the making of restitution—

I was not so far astray.

. . . .etc., has been questioned and while such a right probably exists—

As my hon. friend rightly says:

—under the present act yet it is better to make the matter clear by the suggested amendment.

Mr. HANSON: Why is it deemed necessary to increase the maximum fine from ten dollars to twenty-five dollars? What little experience I have had has been that the parent always has to pay the fine and very often a parent who can least afford to pay it.

Mr. LAPOINTE: The judge of the Juvenile Court at Regina, who is secretary of the association, has written us as follows:

In the western provinces where people are isolated, many of them living on farms removed a considerable distance from town or city, when a boy is proved to be a juvenile delinquent, it is impossible to place him properly on probation, for the simple reason that there is no probation officer near him to whom he can report. Many of the delinquents belong to the new Canadian type, and to simply return them to their parents when they are not sent to an industrial school, with merely a warning and no probation and no fine, means, that they do not realize they have committed an offence. The only possible way to touch some of these people is through their pockets. And some of same boys work on farms and in harvest time especially earn large wages, and it was thought that in cases where a boy is earning his own wages a fine of ten dollars was too small. It was for these exceptional cases that the amount was suggested changed to $25.

And further on:

The question was fully discussed, and while we felt that possibly some of those acting as juvenile court judges might take advantage of the large fine, yet we felt on the whole that most of the judges would not.

It is also stated:

The idea of a fine is somewhat foreign to the juvenile court system, where the action taken is always what is best in the interests of the boy; but there are of course exceptional cases where it is desirable to impose a fine, and the association—

That is, all the judges.

—considers that the limit should be $25 instead of $10 as at present.

It is suggested especially to cover western cases.

Mr. FORKE: I think that when a fine is imposed on a boy under sixteen years of age it simply means a fine upon his parents.

Mr. PUTNAM: The punishment of the parent through payment of the fine, although sometimes undeserved, is indirectly the best punishment that can be imposed for the offence. A fine of twenty-five dollars for some parents might be less felt than a fine of ten cents in other families. I think I can see a fair reason for increasing the fine to the limit. It does not necessarily follow that the magistrates will impose the maximum.

Section 2 agreed to.

On section 3—Support of child—proviso.

Mr. BOYS: This imposes a responsibility upon the municipality. I do not know whether the minister has had experience of similar provisions with regard to hospital expenses, but if he has he will be aware that exceedingly nice points arise as to what constitutes "residence." Personally I would not be in favour of this clause unless there is some very distinct provision in the bill defining what shall constitute a resident of a municipality.

Mr. LAPOINTE: I have myself had experience to which my hon. friend refers. In the province of Quebec when the government is claiming from a municipality the cost for hospital patients there is sometimes much difficulty in deciding which municipality is responsible. But in this case we are doing something for the advantage of the municipality, because the clause in the original act reads as follows:

In every such case it shall be within the power of the court to make an order upon the parent or parents of the child or upon the municipality to which it belongs to contribute to its support such sum as the court may determine.

When the means of the parents are not known, the order has always been against the

municipality. This amendment is to give the municipality the right to reclaim the money from the parents, a right which the original clause did not give.

Mr. ROSS (Kingston): I do not think that settles the point raised as to whether the child belongs to a certain municipality. In other cases it has been found necessary to define residence as meaning, say, one year's residence in the municipality. The act says simply "the municipality to which the child belongs." Does one day's residence give a municipality a claim upon the child?

Mr. LAPOINTE: The ordinary law of domicile and residence does apply.

Mr. BOYS: It would, of course, where there is no definition of what constitutes residence, but in some acts and regulations there are definitions.

Mr. LAPOINTE: There must be some rule of practice in Ontario as to that; the courts must decide what length of residence is considered necessary in the case my hon. friend referred to. The same jurisprudence would apply there.

Mr. BOYS: As a matter of fact regulations have been passed for dealing with the question; where there is no regulation, one can become a "resident" of any place the very moment of setting foot there. That of course, is another feature. I must admit that when I first looked at this section I did not quite appreciate its significance, but we have often to look at these things in a great hurry. I see that all this section does is to give the municipality the right to recover from the parent or parents any money paid by it in the first instance. Cases might arise where there are no parents but only guardians. What about such a case? And, further, what about a Barnardo boy?

Mr. LAPOINTE: I am afraid the municipality would have to bear the cost as it does in the case of hospital patients.

Section agreed to.

On section 4—Juvenile court committee.

Mr. LAPOINTE: I move that clause 4 be struck out.

Motion agreed to.

Mr. MEIGHEN: My mind keeps running back to clause 1. I certainly would not like to be instrumental in disarming the organizations that have to do with these matters. I have been thinking that possibly the chief offence which these organizations are trying to control might not be held in a court of law to be within the meaning of the term "sexual immorality." With the consent of the minister, I will be prepared to move that the committee return to the clause for the purpose of having the words restored, but accepting the suggestion made by my hon. friend to my left from Glengarry and Stormont (Mr. Kennedy) to insert the word "similar" before the word "form".

Mr. LAPOINTE: Then it will read:

Sexual immorality or any similar form of vice.

I am willing to accept that.

The CHAIRMAN: By unanimous consent we will return to clause 1. It is moved in amendment that the words struck out, "or any other form of vice", be reinstated to read: "or any other similar form of vice."

Mr. MEIGHEN: Leave out the word "other".

The CHAIRMAN: "Or any similar form of vice."

Mr. BOYS: The minister will probably know from the correspondence whether or not that does cover the situation. I am disposed to think there is some doubt about it, and I think my leader (Mr. Meighen) is of the same view.

The CHAIRMAN: Carried as amended.

On section 5—Adults liable who contribute to delinquency.

Sir HENRY DRAYTON: What is the reason for the change, and what does the change involve?

Mr. LAPOINTE: I will give the reasons as they have been communicated to me by the association:

Section 29 making adults liable for causing delinquency in children is a most useful section but one sometimes difficult to work under. It is the view of the association that if a parent or guardian neglects to prevent a child's becoming a juvenile delinquent that should be an offence and that proof should not be made more difficult by the retaining of the word "wilfully."

The proposal to insert the words "or are likely to render" in the ninth line of the section is with the object of making more certain and effective the amendment to the same section contained in section 3 of the amending act of 1921 11-12 George V, chapter 37. This amendment was adopted in view of certain decisions in western courts which rendered the section practically nugatory.

It is to punish those adults or guardians who act in such a way as to render children

juvenile delinquents even though the children do not actually become juvenile delinquents. The word "wilfully" is omitted to compel those who are charged with proceeding in such a way as to make their children juvenile delinquents to prove that they should not be punished.

Sir HENRY DRAYTON: I would direct attention to the distinction between a mere act of omission which the conditions might make excusable, and an act of commission. This provision would seem to place in the same position the Fagin who teaches children to steal or makes finished criminals of them, and the unfortunate man who is not able to give his children proper support, proper care or proper teaching.

Mr. LAPOINTE: I would not go as far as that. The other offence my hon. friend refers to is punishable too.

Sir HENRY DRAYTON: Yes, by a fine not exceeding $500 or imprisonment for a period not exceeding two years. That is not a sufficient punishment for a person who turns out children as thieves or who is trafficking in their bodies; the punishment there is entirely out of proportion to the seriousness of the offence. It is certainly very much worse to behave that way with children than it is with adults, yet there would be a far heavier punishment under the Criminal Code for such an offence in the case of an adult.

Mr. LAPOINTE: This legislation will not do away with the penalty imposed by the Criminal Code against the parent or guardian if what he does is criminal. Surely he can be convicted under the ordinary law.

Sir HENRY DRAYTON: I do not know. I am inclined to think that where you have a provision dealing with crime generally and then a subdivision dealing with juvenile delinquents, and when in addition to dealing with the juvenile delinquent himself you further deal with the abettor or creator of the juvenile offender, if you like, then you are creating a particular offence. We are here creating an offence which has particular regard to the juvenile delinquent, but we go further and we say to the person who has had an active hand in making the child a thief or directing him into immoral practices: "You are a person who not only wilfully encouraged but aided and abetted and connived at the commission by this child of an offence under the Criminal Code"—for we say that a juvenile delinquent is any child who violates the provisions of the Criminal Code. Let us at least know what we are doing here. We are treating in the same way the person who is actively engaged in the promotion of criminal acts of the vilest character against children and against society, and the person who, perhaps through ignorance, perhaps through poverty, neglects to do something which ought to be done for the child. Does my hon. friend not think that this section ought to be broken up with a view to our taking some cognizance of that distinction? Should we not have a very heavy penalty for the Fagin, and deal gently with those who are doing perhaps the best they can but who by mere neglect place themselves, under this provision, in the same category with those who commit the criminal acts to which I have referred?

Mr. LAPOINTE: We are not doing what my hon. friend suggests; we are not changing the law with regard to such criminals as he has described. They have been subject to the penalty inflicted by this act, and they will still be subject to it. My hon. friend seems to think that the penalty should be increased I do not know that we should go further than the people who are interested in this work are asking us to do. It has not been suggested by anybody that those who are acting in a more nefarious way than others should not be more heavily penalized, all that the amendment purports to do is to make it easier to obtain a conviction under the circumstances, by not making it necessary to prove that the conditions complained of actually rendered the child a delinquent, nor that there was wilful neglect—the mere fact that the conditions exist renders them subject to the penalty, unless they prove that they are not responsible for those conditions.

Mr. BOYS: The minister says that the design of the amendment is to make proof easier, and that the penalty is not being increased.

Mr. LAPOINTE: It is the same.

Mr. BOYS: The marginal notes, no doubt quite unintentionally, are misleading in this case. They are supposed to cover the amendments as well as the words which are underlined, but the minister will see, if he looks at the very last of the section, that the penalty is increased to two years, whereas in the original act it is only one year.

Mr. LAPOINTE: There was an amendment to the act in 1921, and I think the penalty was then increased to two years.

Sir HENRY DRAYTON: I would not blame the minister at all for increasing the penalty; I think some of our penalties are entirely inadequate. I think, for example, the penalties for indecent assaults are inadequate—only two years, for a crime which you could not fittingly describe. But what I resent is to put in the same category with an unspeakable villain like that some poor unfortunate who has not been able to give his children the benefit of better conditions. I do not think the real criminals get enough, and I really fail to see why a person should be charged with neglect which he knows nothing about, and be put in exactly the same class we were discussing a moment ago, for that is the effect of taking out the word "wilfully". I do not think that is proper legislation. I want to make it easy to look after the children, but in doing that we ought to have proper penalties for those who offend against the statute.

Mr. LAPOINTE: My hon. friend may be sure that his remarks will be drawn to the attention of those who are interested in this work, and will be considered by the department also. I am almost sure that there will be further amendments to this act next session, because the clause which I have agreed to drop will be submitted to the next convention of the association of the judges for approval. The main reason why there was so much objection to clause 4 from Toronto and Montreal was that it had not been approved by the association, and that is why I have moved that the clause should be stricken out. I find that my hon. friend from South Simcoe (Mr. Boys) is right. The penalty was one year even after the amendment of 1921, and obviously that is being increased to two years.

Mr. BOYS: Does the minister think that it should be increased? Of course, there might be cases where two years would not be enough, but in the main one year is a severe penalty, and when you consider that a fine of $500 may also be imposed, together with one year's imprisonment, I should think that ought to be sufficient; especially in view of the further fact, which is a fact so far as I know, that there is no appeal.

Mr. LAPOINTE: My hon. friend from West York (Sir Henry Drayton) seems to think the penalty too lenient. My hon. friend knows that the magistrate has discretion. It is not exceeding two years, but it may be only one month, it may be fifteen days.

[Mr. Lapointe.]

Mr. BOYS: I do not know what the minister's experience is, but I have had a good deal of experience in matters of that kind, and it is astonishing how many of the magistrates seem to think that if they divide the limit in two it is about all right. I do not say they always do it, but there is a tendency to compromise always, and if the fine is $50 they are apt to strike it at $25, and if it is $20 at $10. Apparently the minister did not intend to make the penalty two years. There was evidently no intention to change the law in that respect, which provided a penalty of only one year.

Mr. LAPOINTE: I have no objection to leaving it at one year.

Mr. MEIGHEN: The explanatory note says the word "wilfully" is struck out before the word "neglects" in the seventh line, but there is no word "neglects" in the seventh line.

Mr. LAPOINTE: I noticed that myself. It is a mistake. I think it is in the twelfth line.

Mr. FORKE: I think "wilfully" ought to be struck out. The clause seems strong enough when you have in the word "neglects".

Mr. BOYS: I think the note is correct. In subsection 1 of section 29 of the act appear the words "wilfully neglects to do that". What must be looked at is the act itself, and you have both the words "wilfully" and "neglects" there. "Wilfully" is struck out, and the words "and being able to do so" are inserted.

Mr. MEIGHEN: Not in this subsection.

Mr. BOYS: Yes.

Sir HENRY DRAYTON: Could the minister tell us whether he would regard as neglect such a neglect as would make a child a "neglected child" within the meaning of the Ontario Act? Would he make that a criminal offence? I am not dealing with the child who commits an offence against the code, but with the parents who may be prosecuted under this act. Would the minister consider that an offence under this section? And if not, why not? Because if a child is neglected, obviously that is more likely to render that child a juvenile delinquent.

Mr. LAPOINTE: I would say that it all depends on the degree of negligence on the part of the parent; and that should be left to the discretion of the magistrate.

Sir HENRY DRAYTON: I would like to get my hon. friend's idea of that, though. Negligence, of what character? Negligence in looking after the physical welfare of the child? Negligence in providing proper religious or moral instruction? or negligence in what other regard?

Mr. LAPOINTE: I myself would not go as far as that. It would all depend on the circumstances, which will always be known to the local man who will be in charge of the administration of this act. The local juvenile court judges are well acquainted with the conditions in their community. They have probation officers who report what is going on in the homes where there are juvenile delinquents, and their decision will be largely influenced by the circumstances of the case. I do not think that there can be, in a matter of this kind, a definitely fixed set of conditions necessary to constitute the offence which is contemplated by this section.

Sir HENRY DRAYTON: I agree, it is pretty hard to do that, but it is not hard for the House to have some idea what it is legislating about. Suppose we take it in the simplest form; that there is a neglect to do that which would directly tend to prevent a child being a delinquent or likely to become a delinquent—I think that is fairly paraphrasing the clause—now, what neglect are we endeavouring to legislate against? We can say offhand that we are endeavouring to legislate against such neglect that a magistrate might say was a neglect; I do not think that, from our present discussion, we would go any further than that. Are we really leaving the definition of "neglect" in the hands of the bench, or are we dealing with "neglects" which could properly be looked upon as connected with some criminal matter or likely to bring about some criminal affair? Going a little bit further, I come back to my former query: Is the neglect legislated against here a neglect to furnish the child with such necessaries and the like as would prevent its being a dependent, neglected child under the Ontario Act or any other similar act? I think they go a little bit further than we do—is it to be confined to a neglect to give instruction to a child as to the meaning of a crime, or is it a neglect to move a child from conditions which might suggest crime to it? What are we really trying to do?

Mr. LAPOINTE: All the things my hon. friend has described would influence a judge in giving his decision.

Sir HENRY DRAYTON: But the magistrate will not be legislating. We are.

Mr. LAPOINTE: The conditions my hon. friend has mentioned may be such as to justify a judge in convicting a man, but they may not warrant the sending of the man to prison or fining him severely. I repeat, the circumstances surrounding every case must govern. This legislation is for the purpose of administering the act and it is certainly for the protection of the children.

Mr. MEIGHEN: The words in the bill "or are likely to render a child a juvenile delinquent" should have been underlined, because they are additions, and also the word "two" in the last line.

Mr. PUTNAM: As to the question asked by the hon. member (Sir Henry Drayton) I am inclined to think the danger he fears would be remote and that the parent would not be punished unless he was, by his own action, directly aiding the child to become a delinquent. However, I think we can easily imagine a class of cases where the parent would be an agent in the commission of offences by the child as the latter left the home from day to day.

Sir HENRY DRAYTON: I quite agree with what the hon. gentleman has said; that is how the section ought to be read. I agree also that we should have a distinction between a course of conduct where there is not direct connivance and a course where the parent wilfully aids and abets the child to become a delinquent. If my hon. friend will look at the section again he will see that persons who knowingly or wilfully encourage or connive at offences are properly dealt with. But I draw my hon. friend's attention to the language farther down as to a parent or guardian who "neglects to do that which would directly tend to prevent a child being or becoming a juvenile delinquent or to remove the conditions which render or are likely to render a child a juvenile delinqent." Now, instructing the child as to the difference between right and wrong, properly grounding in him moral principles, are likely to influence his conduct for the better. Here, unless that is done, it would appear there is going to be an offence.

Mr. PUTNAM: My hon. friend will concede, perhaps, that the word "directly" is a very illuminating one. The mere failure of

perhaps a very ignorant parent to teach a child proper ethics would only indirectly tend to produce the conduct sought to be corrected. Let us take a concrete case; my hon. friend may, perhaps, argue that it is too elemental in character but it will serve to illustrate the principle involved. If the father knew his child was going out stealing pennies, even though he himself did not receive the stolen money, he should be punished. If he knew the child was committing this offence and did not reprimand him or prevent him, he is guilty.

Sir HENRY DRAYTON: I quite agree.

Mr. PUTNAM: But, as to teaching the child and making him to understand the difference between right and wrong, if we went into that matter I think we would be on visionary ground, and the parents should get the benefit of the doubt. The magistrate, of course in such cases, should have common sense to do the right thing. He would have to take into consideration the environments of the boy and the parents. If the father were an illiterate man the magistrate should not deal with him so strictly as in cases where the father was not illiterate.

Sir HENRY DRAYTON: I would go even further than my hon. friend. He says the magistrate should have common sense to do the right thing. I say we should have common sense to do the right thing here in the first place. I point out also that in the first case referred to, if the parent knows the child has gone out to commit an offence he is accessory before the fact and is already liable.

Mr. PUTNAM: Yes, if he abets the commission of the crime.

Sir HENRY DRAYTON: His mere knowledge makes him liable under the Criminal Code. He is liable as an accessory before the fact and subject to the same punishment as the young offender. The duty to stop that sort of thing is cast upon him, as the duty is thrown on every citizen to prevent crime. If a person knows a crime is about to be committed, it is his duty to see that it is prevented. I was pointing out that that cannot be the case here because that is already covered.

Mr. PUTNAM: I am afraid a great deal of this is already covered by some severe punishment already.

Sir HENRY DRAYTON: It ought to be.

[Mr. Putnam.]

Mr. PUTNAM: I agree with my hon. friend. The danger is that the lesser punishment here might displace the present severer punishment.

Sir HENRY DRAYTON: My impression is that it is removed by this legislation. I think that is the most dangerous part of this legislation, because I do not know whether it can be done under this.

Mr. ROBINSON: I think, rightly or wrongly, that this is more or less experimental legislation, and whether we should enact a law of this kind or not I do not know. I am not quite sure that these societies are able to handle the child problem. It is a very difficult matter, and they have not had as much experience perhaps as they will have. Whether it is wise or unwise to pass a law that is more or less experimental I would not take upon myself to decide. Yet that is the position here. We are making this experiment and bringing the child under this law.

Sir HENRY DRAYTON: I do not object to it being experimental, and I do not object to doing anything I can to advance the interests of the child; but I am objecting to the provision with respect to adult offenders, who, I think, are not severely enough dealt with in this section, and the mixing up of a real adult criminal with an innocent man.

Mr. BOYS: The more I think of this provision the more I am convinced that the section is going too far, although I am convinced the section is framed with a desire to do what is best for the child. It cannot be argued for a moment that this is anything but a criminal section, because when the punishment to be imposed is one year's imprisonment or a fine of five hundred dollars, or both, it becomes very serious, and surely it is unwise to drop the word "wilful." I quite appreciate the effect of the addition of the words "or are likely to render." But I say do not strike out the word "wilful." Take an illustration: A parent who would bring himself within the facts I am going to outline could certainly be convicted under this section. We will assume that curfew rings at eight o'clock, or nine o'clock. Suppose a father permits a boy of fourteen to remain out between nine and ten o'clock and to continue that course of conduct, and that boy commits a theft or some crime which brings him within the interpretation of the section, that boy becomes a juvenile delinquent, and the father could be convicted under this section. But I doubt if the father

could be convicted if the word "wilful" were there. Surely, before we render a man liable to imprisonment for one year and to a fine of five hundred dollars, he should be guilty of something wilful. It should be proved that there was some animus in his mind, because that is the foundation of all criminal acts. I suggest that we should restore the word "wilful" after the word "child," and eliminate the words "and being able to do so," leaving the other words "or are likely to render." If you are going to make the punishment one year, that punishment should only be imposed in cases of gross neglect. The father might be away, and he might have left instructions that the child should not be permitted out at night. Before the father could be convicted under this provision I think it should be proved that he was a party to the offence.

Mr. GORDON: I agree with the remarks of the hon. member for South Simcoe (Mr. Boys). The words "or to remove the conditions which render or are likely to render a child a juvenile delinquent" have been inserted on account of a series of cases in which the father of the family persisted in allowing one member of the family, who was notorious in the community to remain at home. The effect was to corrupt the younger members of the family. The mother may have desired to have one daughter removed from the household, and the father persisted in having her at home, although her society no doubt corrupted the younger female members of the family. No provision then in force, however, could deal with that case. The case was brought up before the Police Constables' convention, or the facts of the case were forwarded to them, in order that some action might be taken to prevent a recurrence of a case of that kind, where there was no provision which would deal effectively with it. This provision may go further than was perhaps actually intended, but it seems to me to deal with that particular class of case, if it is so interpreted and read by the judicial officer before whom such proceedings might be taken.

Mr. BOYS: I am not familiar with the case mentioned by the hon. member for West Peterborough (Mr. Gordon), but I would have thought from his recital of the facts that such a parent would come absolutely within the provisions of the former section. Surely, under this section, the parent, knowing that such a state of affairs exists in his house and permitting it to exist, is doing so "wilfully." The strong point that I desire to make is that a severe penalty is provided here. I am not objecting to it; I am commending the minister and all those behind the provision in their efforts to do what they are seeking to do. My one point is that if we make a man a criminal and put him in prison for a year and fine him five hundred dollars, without any evidence to connect him and to show he is the guilty man, we are going too far. I would not be prepared to pass this section on the suggestion that this is a matter for the magistrate to consider. We know there are many magistrates of experience, but there are many magistrates who are not lawyers and who have not had experience. They are tremendously influenced by their surroundings and they become considerably worked up at times. In this way a man might suffer where he never should suffer as a criminal. If the word "wilful" is restored I feel satisfied that any case will be met in which a parent should be subjected to imprisonment for one year.

Mr. GORDON: What could be done in the case of a father where a daughter, say over eighteen years of age, was boarding at home, a member of the family, where no act of immorality was committed in the home, but who was notorious for her immoral conduct, who came home for her meals and lived there and who must necessarily exercise an evil effect upon the younger female members of the family? The former act does not deal with such a case, because there is no act of participation by the head of the household in anything which would tend to the moral delinquency of the child; but under this amendment the section would deal with a case of that kind because the father was failing to remove from the family the source of the influence that tended to cause the delinquency?

Mr. BOYS: That raises in a very neat way the very point that I wanted to raise. If I understand my hon. friend aright, he goes this far: The girl in question is notorious, but apparently her notoriety has not reached the mind of her father. Would it be proper, under those conditions, that the father should come within this section and be imprisoned for a year? The whole thing is one of knowledge. If the father knows that he has such a girl in his household, then he is within this section and his neglect is "wilful". If he does not know this—and that is the case put by my hon. friend—surely he should not be held responsible. A man cannot be guilty of a crime if he is not directly associated with it. In the case cited, I submit with all respect, the father cannot be held to be a criminal.

Mr. GORDON: In the twelfth line of page 3 of the bill there are these words:

> Being the parent or guardian of the child and being able to do so, neglects to do that which would directly tend to prevent a child's being or becoming a juvenile delinquent.

The expression "being able to do so", having the power, must mean, it seems to me, having the knowledge, because he would not be able to exercise that power unless knowledge was brought home to him.

Mr. BOYS: I agree with my hon. friend that that implies knowledge. That is my exact point. The moment you get knowledge you get wilful conduct. That is why I want to see that inserted in the bill.

Mr. GORDON: While wilful conduct is implied in this, the actual word "wilful" is not used. But it indicates there is power of suppression of the evil condition that exists, and if he is able to suppress that evil condition and does not do so, my suggestion is that he becomes guilty of an offence under section 4.

Mr. PUTNAM: I should think the word "wilful" should, in any event, be restored. The question of ability is ambiguous. He might be able if he had the knowledge. "Being able to do so" means, I think on fair reading, that he is in a position of authority to straighten out the regettable state of affairs provided that he knows about it. I would strongly support the idea of removing the ambiguity by restoring the word "wilful".

Mr. GORDON: I have had some cases under this act. The word "wilful", as my hon. friend knows, has a peculiar signification before a judge. It means a deliberate act, a knowledge brought home in such an emphatic way that there can be no question that the person guilty of the offence had it brought home to him, not in a constructive way, but in a most definite and positive way. The defence in many of these cases is that the person did not know. Take the ordinary case of a father who has young children at home, who is guilty of a persistent course of profanity, of assault upon his wife, assault upon the children and generally a course of conduct of that character. That would bring him within this section. But it does not deal with those peculiar cases where the mother, perhaps, wishes to have the home wholesome, but some member of the family, perhaps a sister of the father or some other member, a boarder, is kept there in defiance of the wife's wishes.

5 p.m.*

Mr. BOYS: With knowledge?

[Mr. Boys.]

Mr. GORDON: Yes.

Mr. BOYS: Then it is "wilful."

Mr. GORDON: I have had a case in the city of Peterborough, where, in spite of the mother's attendance on the chief of police, the father deliberately persisted in keeping this person in the household, and he had a right to do so.

Mr. BOYS: Will my hon. friend not agree with me that that is really a case of wilful conduct?

Mr. GORDON: I do not think "wilful" goes that far. "Wilful" is such a deliberate, determined refusal to accept the condition as laid down that it goes far beyond the interpretation which might be constructively put upon knowledge, that is, knowing that a condition exists. Supposing this case existed: Knowledge is brought from the chief of police to the head of the family that a certain member of his family is of the type of character that would cause delinquency of the younger children. After that notice had been given to him, he would be put upon inquiry and would be guilty of an offence under this legislation unless he satisfied himself in every reasonable way that there was no ground for the suspicion that was indicated to him, say, by the chief constable. That would be, perhaps, a wilful breach of this section. I am submitting that to my hon. friend in order to prove that wilfulness must go far beyond what must be real knowledge brought home by evidence of members of the family who have learned from time to time the evil conduct of this person who has been kept in the family in spite of knowledge being brought home to the head of the household. It might be said that this is not wilful because it was a sin of omission, not of commission; that is there was not the positive act, but neglect in permitting the matter to drift. It is just to deal with those cases, it seems to me, that this particular section is worded in this manner.

Mr. BOYS: My hon. friend, I think, is putting upon the word "wilful" too severe a construction. But, lest he be right and I be wrong, I would suggest to the minister that, instead of the words "being able to do so," he insert the word "knowingly". My whole point is, knowledge; I think it must be shown that the man has knowledge. To convict a man of crime and take any chance of sending him to prison for one year without showing that he has any knowledge of the wrong is abhorrent to me. I do not think

the word "wilful" is too strong. It was in the act before, but if it is thought that it is too strong, let the wording be as follows:

Being the parent or guardian of the child knowingly neglects to do so.

Mr. PUTNAM: I agree with my hon. friend (Mr. Boys), and I think as respects almost every crime you could bring forward the same argument about the deletion of the word "wilful" ingeniously used by the Deputy Speaker (Mr. Gordon). Careful as he generally is in language, I agree with the hon. member for South Simcoe (Mr. Boys) that he went too far in his definition of "wilful". The word does not necessarily mean a determined wilfulness; it means a substantial degree of knowledge. You bring home to the accused that with that degree of knowledge he lets this thing go on from day to day. I can see no objection to putting in the word "wilful", for we must assume that the judge or magistrate will at least be of average intelligence and that on the evidence he will be able to decide as a juror the issue of wilfulness.

Mr. LAPOINTE: The word "wilfully", the elimination of which is proposed, was discussed by the association to which I have referred at its last convention. It was then unanimously decided to ask for the elimination of this word because in Rex v Hoffman, 1919, 1 Western Weekly Reports, page 625, and Rex v Limoges, 1921, 1 Western Weekly Reports, page 293, convictions could not be secured against the offenders because of the word "wilfully" in the section, although in the opinion of all the members present at the convention the conditions justified convictions.

Mr. PUTNAM: Was there something peculiar in the facts in those cases?

Mr. LAPOINTE: I have sent for the law reports. I find that I made a mistake a few minutes ago when I said that two years instead of one was a change; I was right in the first instance when I said that the amendment of 1921 covered it, section 3 of chapter 37, which substituted the word "two" for the word "one". So, as it is now, there is no change in the term of imprisonment.

Mr. BOYS: That only emphasizes my contention that it makes the offence all the more serious.

Mr. LAPOINTE: It is my reason for withdrawing my assent to the change.

Mr. BOYS: Quite so.

Mr. LAPOINTE: In the two cases I have mentioned the word "wilfully" in the section prevented convictions.

Mr. BOYS: That in itself would not perhaps warrant the dropping of the word here I do not argue for one moment that the use of the word "wilful" in statutes does not frequently stand in the way of convictions; I say it does, and I say it should when we are talking of crime. Under the Ontario Temperance Act we find provisions that a man shall be presumed to have knowledge of this, that and the other thing, and he can be convicted of many offences without the Crown actually proving that he had knowledge of any guilty actions. But that is a different state of affairs altogether.

Mr. LAPOINTE: I agree to "knowingly."

Mr. BOYS: I think that would be fair under the circumstances.

The CHAIRMAN: Is it the pleasure of the committee that section 5—now section 4—be amended in the thirteenth line by adding after the words "to do so" the word "knowingly."

Sir HENRY DRAYTON: Do you think that would work out well?

Mr. LAPOINTE: Putting "knowingly" before neglects."

Mr. BOYS: It is just merely inserting the word "knowingly" instead of the word "wilfully."

Mr. LAPOINTE: Yes.

Section as amended agreed to.

Bill reported, read the third time and passed.

EXCHEQUER COURT ACT AMENDMENT

The House resumed from June 18, consideration in committee of Bill No. 116, to amend the Exchequer Court Act—Hon. Mr. Lapointe—Mr. Gordon in the chair.

On section 1—Short title.

Sir HENRY DRAYTON: When this bill was in committee before, the minister withdrew it for the purpose of considering the questions then raised.

Mr. LAPOINTE: Is my hon. friend still objecting?

Mr. BOYS: We are suggesting, not objecting.

Mr. LAPOINTE: As I said, the other day, the reason why the words "or any person" are included is to anticipate a case where the

Crown has to compel its contractors to pay to a third person damages which might be caused to him by a public work. On the other hand, I think it could not be construed as against the rights of any third person. However, I am inclined to accept the suggestion of my hon. friend from South Simcoe (Mr. Boys) as far as that goes. But when he suggested that we should include the word "company," I think that is unnecessary, because it is included in the Interpretation Act. I agree, therefore, to the amendment suggested by my hon. friend (Mr. Boys), that the words "to any person or to the Crown" in the thirteenth line of this section be omitted.

Section as amended agreed to.

Bill reported, read the third time and passed.

GOLD AND SILVER MARKING ACT, 1913, AMENDMENT

The House resumed from June 20 consideration in committee of Bill No. 176, to amend the Gold and Silver Marking Act, 1913—Hon. Mr. Low, Mr. Gordon in the chair.

On section 2—"Platinum" to be applied only to articles of defined component parts.

Hon. T. A. LOW (Minister of Trade and Commerce): When this matter was previously under consideration I maintained that what the Jewellers' Association had in mind was that the word "platinum" was to be applied to any article of which 95 per cent of the total quantity consisted of platinum. In a report received from Mr. W. J. Ryan, Inspector of the Gold and Silver Marking Act, among other things he states:

> At the fifth annual convention of the Canadian Jewellers' Association, which was held at Windsor, February 13, 14 and 15, 1922, and at which over 300 jewellers from all parts of Canada were present, among the business problems discussed was a proposed amendment to The Gold and Silver Marking Act regarding the stamping of platinum goods. At a meeting of the executive committee held on the 5th of December it was decided that application should be made at the next session of parliament for an amendment to The Gold and Silver Marking Act to provide for the marking of platinum articles. The committee recommended that the title of the act be changed to read "The Precious Metals Marking Act, 1924," and that a new section be inserted to cover platinum articles, worded as follows:
>
> "The word 'platinum' or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in connection with any other word, to any article of merchandise composed wholly or in part of any metal unless 950/1000ths of component parts of the metal appearing or purporting to be platinum of which said article consists are either the pure metal and element platinum alone or in conjunction with iridium."

[Mr. Lapointe.]

I always thought that the jewellers had in mind that the article should be 95 per cent platinum, but the leader of the opposition in several statements ridiculed the idea. When the Deputy Minister of Justice came into the House the other day the right hon. gentleman put certain questions, and the deputy agreed with the interpretation placed on it by my right hon. friend. I had not the slightest doubt in my mind at eleven o'clock in the morning that he had told me that it meant 95 per cent of the whole article. But he whispered to me that since I had been in his office he had read the debates of the day before—I did not question him as to whether the opinion of other lawyers had impressed him or caused him to change his mind. He further added that these sections were not drafted with the idea in view that they should be interpreted by the ordinary layman in the House; rather was it intended that the courts should interpret them. I allowed him to go out of the chamber. But the leader of the opposition made this statement:

> There can be no possible two opinions on the subject. The opinion is just what the Assistant Deputy Minister of Justice told the minister a while ago, and what we have contended for for two days, I do not think it is the object of either the Jewellers' Association or the framer of the bill that the whole article should be 95 per cent platinum.

And again he said:

> The minister is wrong as to his conception of what the draftsman intended. The draftsman who drew this never in the world intended the whole article to be 95 per cent platinum—never.

I had stated in the House that the president or the secretary of the association had told my deputy over the long distance telephone that what the section meant was 95 per cent of the whole article, but again the right hon. leader of the opposition disagreed with me. I was glad to know that there were a few hon. gentlemen who did agree with me. If hon gentlemen will refer to page 3395 of Hanusard they will find that the hon. member for Kings, N.S. (Mr. Robinson) said:

> The intention doubtless was that it should be 95 per cent of the element platinum, but it does not say so.

He agreed that that was the intention. Again, on Friday last, the 20th, the hon. member for Lisgar (Mr. Brown) stated:

> That is the meaning I put upon this clause. In other words, whatever metal it is composed of, 95 per cent pure platinum or platinum in conjunction with some other metal shall form part of the whole composition.

In order that there might not be any mistake, I telephoned to the secretary of the Jewellers' Association, to satisfy myself that the opinion my deputy had conveyed to me

was correct, and the secretary replied: "There is absolutely no doubt that was the intention." I said, "Come down here to Ottawa, so that you may be able to verify it." He said, "I will send the chairman of the association." The chairman of the association came down, and afterwards I addressed the following letter to Mr. John C. Strachan, chairman, Canadian National Jewellers' Association, Toronto District:

I attach hereto a question asked by the Right Hon. Mr. Meighen in the House of Commons on Friday. Will you be good enough to advise me which of the questions he asks is correct? I shall esteem it a favour if you will give me the answer in writing.

And the question I attached to the letter was the very question asked by the right hon. leader of the opposition on Friday last. I did not wish to put it in my own words, because I knew my hon. friend would probably doubt it had been properly put, so I simply attached the following clipping from Hansard:

Mr. Meighen: As to the plainness of the clause it is a matter of opinion. As to the meaning of the clause it is not a matter of opinion, it is very clear, I would not have risen but I see the Assistant Deputy Minister of Justice here, and I am going to put the two interpretations in his hearing and ask him to give the opinion of the department as to which it is. The question is this: Whether in the case of an article, a single article, as respects which part purports to be platinum and part not, this bill insists that the whole article shall be 95 per cent platinum or part platinum and part iridium, or whether only the part that purports to be platinum shall be 95 per cent platinum and iridium? I want the assistant deputy minister to answer himself.

The reply I received to that letter was as follows:

Hon. THOS. A. LOW,
Minister of Trade and Commerce,
Ottawa.

Sir,—In reply to the question asked in the House, a copy of which you attached to your letter, I beg to advise you that the intent conveyed in the first question correctly represents the desire of the jewellery trade—i.e. that an article to have applied to it the word—"platinum, or any abbreviation of the word platinum," must contain 95 per cent of the gross weight, or total contents of platinum, or any combination of platinum and iridium.

I have the honour to remain,

Your obedient servant,

JOHN C. STRACHAN,
Chairman Canadian National Jewellers' Association,
Toronto District

That, I think, bears out the statement that I made as to the intention of the jewellers. I also informed the right hon. leader of the opposition, that that was what the president of the Jewellers' Association had told me over the long distance telephone, but he doubted me. I perhaps have given the act more attention over the week-end than before, and I have discovered that it contains a clause providing that:

The Governor in Council may, from time to time, make such regulations as to him seem necessary or expedient for declaring articles to be exempt from the application of this act.

I am sure that the right hon. leader of the opposition knew of these orders in council that had been passed; he knew a great deal more than I did; he knew that if there was any remedy required in connection with this section it could be provided by order in council. However, in view of the opposition raised by certain members of the House, I desire to withdraw the bill.

Mr. BOYS: So far as I am concerned I do not propose for one moment to be under any such cloud as that. Surely to goodness it is not fair to suggest, when we on this side of the House make suggestions regarding the phraseology of a clause appearing in a bill, that we are objecting to the bill itself. We were just making some suggestions a few moments ago to the Minister of Justice in connection with a bill he had before the House, and it is only fair to say that he accepted some of those suggestions. The Minister of Trade and Commerce now says definitely, and I think if he is fair he will admit he did not say it quite so definitely a day or so ago, that 95 per cent of the whole article, or as the chairman of the Jewellers' Association perhaps better puts it, 95 per cent of the gross weight, shall be platinum or iridium. Now all we have been endeavouring to do here is to point out to the minister that we want the wording of this section made so definite that a layman can construe it and understand it. It may be that a jeweller or a judge might understand it as it stands, but you want to think of the public who are not experts, too. The very beauty of legislation is that its wording shall be such that any man of reasonable intellect can read it and understand what it means when he reads it. I made a suggestion the other day to the minister, and I am going to make it again before he presses for withdrawal of this bill, because there is not the slightest desire on the part of any one on this side, and I think I can speak for every one, even for my Progressive friends, to interfere with the provisions of this bill in any way. We are simply trying to make the wording definite, and I would ask the minister to consider this suggestion. I would suggest that the section be amended to read as follows:

The word "platinum" or any contraction, abbreviation or colourable imitation thereof shall not be applied, either alone or in combination with any other

word, to any article of merchandise composed wholly or in part of any metal unless 95 per cent of component parts of the metal of which the whole of said article consists are either the pure metal and element platinum alone or in conjunction with iridium.

I think this does exactly what the minister says he wants. Surely the minister will be fair, and when at least eight or ten members of this House, all acting in good faith, express a doubt as to the meaning of the section, he will admit that there is some doubt. I am certain that he has the desire to have this section made definite, and now that we know that the 95 per cent applies to the gross weight, if the language I have suggested, or some similar wording of which the English language is certainly capable, is used, there can be no further doubt. I would ask the minister to consider that suggestion before he presses for the withdrawal of this bill.

Mr. MEIGHEN: As far as I am concerned, I make no request at all; the minister can withdraw his bill or not, just as he likes. All I am concerned with is that he is not going to put me in any false position. I made a certain contention as to what the bill meant in its present form, namely, that the exaction of the bill applied only to the portion of the article which purported to be or was apparently platinum. The minister disputed it. I asked the minister to get the opinion of the justice department. He called the Assistant Deputy Minister of Justice in and he agreed distinctly with me after the minister had told the House that the Justice department were all against it. Not only did he agree, but virtually everybody in the House agreed with the contention. Yet the minister persisted and persisted. Now he makes his appeal from the Justice department as to the effect of the clause to the Jewellers' Association. Well, I decline to submit myself to the jurisdiction of the Jewellers' Association. The Jewellers' Association may be a very fine institution, but it never was created for the purpose of determining the meaning of a legal statute. It may have been their intention that the whole article should be 95 per cent platinum or platinum and iridium, I do not know as to that, but the Jewellers' Association is not a court of appeal as to the meaning of a statute. Nor did I express any opinion as to what the chairman of the Jewellers' Association would say. I am ready to submit to the opinion of the Justice department, but after this in the case of the minister I would rather somebody else would endeavour to carry that opinion to the House than he. He misapprehended what the Justice department told him, and the department's representative came here and distinctly said so in his own hearing.

Mr. LOW: I endeavoured to adhere to the opinion not only of the Justice department but of the Law Clerk of the House.

The bill was referred to the Department of Justice and Mr. Newcombe wrote as follows with respect to it. The letter is dated 12th January, 1924:

> Referring to your letter of the 24th ultimo, asking that a draft bill to amend the Gold and Silver Marking Act, 1913, be prepared by this department for your minister's consideration, I have the honour to enclose same herewith.
>
> I have the honour to be, Sir,
> Your obedient servant,
>
> E. L. NEWCOMBE.

For three days I stood behind the opinion of the Deputy Minister of Justice, the Assistant Deputy Minister of Justice, another member of the legal branch of that department, and also behind the Law Clerk of the House of Commons. But my right hon. friend the leader of the opposition, and other members of the House, insisted that the section was, to say the least, very clumsily framed. On many occasions during the last few days you will find the clause characterized by the right hon. gentleman in that way. Now, an hon. gentleman, who is a lawyer I know, gets up here and suggests that the amendment be drafted in a certain way. Is it possible that one hon. member of this House can, in a few minutes, draft a better section than the Department of Justice was able to do in two or three months.

Mr. BOYS: If the minister will permit me I will convince him that the suggestion made was not unusual or unreasonable. Not thirty minutes ago, when we were considering Bill No. 116, to amend the Exchequer Court Act, introduced by the Minister of Justice, a suggestion was made—as the minister says here more or less hurriedly—but it appealed to the Minister of Justice. He accepted it, struck out certain words, and amended the section. Are we to understand that if a bill is brought forward, even if it has passed through the hands of the Deputy Minister of Justice, that we are debarred from criticising it or from offering any suggestion for its improvement? That is practically the attitude of the minister. As far as I am concerned these suggestions are made in good faith. I want to see the bill go through in the interests of the public as well as in the interests of the Jewellers'

Association. It is most important that the word "platinum" or the word "sterling" or the words "solid gold" and so on should not appear upon articles of jewellery unless they contain exactly what they are supposed to contain. I have taken that attitude mainly on behalf of the public. The intention of this bill should be made absolutely clear and not be left in the slightest degree in doubt.

Mr. LOW: The Jewellers' Association submitted a certain wording and surely they knew what they wanted, and gave proper instructions to their attorney. I submitted the clause to Mr. Newcombe, the Deputy Minister of Justice, to the Assistant Deputy Minister of Justice, to another member of that department, and to the Law Clerk of the House of Commons, and they all agreed as to its effect. Surely the Association knew what they were about when they drew that clause.

Mr. BOYS: Of course if they want the article to consist of 95 per cent platinum. That is one thing, but the wording by which it was sought to give effect to their desire is something entirely different. That is what the minister has overlooked.

Mr. LOW: Would not men who understand their business word such a clause properly? There is no doubt that an association consisting of four hundred members must have had some legal assistance in drafting such a clause as this.

Mr. BOYS: My object in suggesting an amendment was to carry out what was desired. The minister is an experienced business man who conducts large interests. In practically every case where he has a contract drawn up does he not have that work done by a lawyer?

Mr. LOW: Every time.

Mr. BOYS: That being so is it unreasonable to expect that lawyers should have the opportunity of expressing their views regarding the wording of clauses in bills coming before this House? That is all that is suggested here.

Mr. LOW: I can only say to the House that when the bill is again presented there will be no question about the correctness of the legal phraseology. I regret very much that the Deputy Minister of Justice is out of the city at the moment. Had he been here I think he would probably have supported my position. I went into the office of the deputy minister with just one thing in my mind and that was to provide that in articles made of this metal there should be 95 per cent of platinum. That is what I understood the Jewellers' Association wanted and that is what I had in my mind. And yet one of these gentlemen in the department when he came here and was questioned told me and told the House something different. He said that he had read Hansard since I had been in his office earlier in the day.

Sir HENRY DRAYTON: I do not know whether my hon. friend looks upon this as the most fitting end to what might be a very good plot for a comic opera, but is a fitting wind-up to the nonsensical farce that has been going on in connection with this bill. The whole trouble is due not to what the bill says but what the minister thought it said. He has grumbled about the proffering of suggestions by lawyers. Well, the minister had the hon. member for Kings N.S. (Mr. Robinson) behind him and he knew what it meant. He had the hon. member for Victoria and Carleton (Mr. Caldwell) in front of him and he knew what it meant. The hon. member for Hants (Mr. Martell) he knew what it meant. Everybody knew what this bill meant except the minister who introduced it. That is the extraordinary feature of the situation—nobody but the minister had any doubt as to what the bill meant. We sought to find out what it was the minister wanted. The bill said one thing, and the minister said it meant something else and stuck to it all the time. I am quite sure he was not doing that simply to delay the business of the House; the trouble was that he had never got the effect of the section into his head. I am just as sure as I am of anything that he honestly believed the Department of Justice said what he thought they said. The trouble was he did not understand the Justice department.

Mr. LOW: My hon. friend cannot say that I did not understand the request of the Jewellers' Association, because I placed it in writing.

Sir HENRY DRAYTON: My hon. friend did not understand the Justice department, nor could he understand what the hon. member for Kings, N.S. (Mr. Robinson) said. He could not understand anybody in the House. He could not understand the Department of Justice in regard to this section, and I am quite sure the Department of Justice did not understand the instructions which he sent to them.

Mr. LOW: The Jewellers' Association, the people who were most interested in the bill held the same view as myself.

Sir HENRY DRAYTON: Of course they understand what they want. Now we have

wasted three afternoons, and the minister is peeved because he has been put right. Why? Because the deputy read over what had been said in the House, and after reading over what had been said in the House, he found out for the first time what the issue was. That issue the minister had never been able to get across. I had a better opinion of the minister than that. I think he has had his fingers crossed, or something of that kind in connection with this matter. There is some sort of hoodoo in connection with it. I am quite certain that if the Assistant Deputy Minister of Justice had been here he would not have agreed with what the minister said, although I have no doubt he made the statement in good faith. We had an extraordinary statement from the minister this afternoon, and everybody knows it must be absolute nonsense. Legislation ought to be drawn so that everyone could understand it, not even excluding the Minister of Trade and Commerce. I would like to know what my hon. friend's idea is? Here he introduces something which he says has been sent to him from the Justice department. The Justice department knew what it meant. There is no difficulty in understanding what it meant—not the slightest—but there is difficulty in getting the minister to admit it, and saying that was what was wanted. That is the whole difficulty. I wonder if we are to understand from this letter that in connection with the bill brought down by the Department of Trade and Commerce we are not to look upon that as serious, but that we are to look upon it as a fitting setting for a comic opera, something by which the business of the House can be indefinitely delayed, and then dropped, something in connection with which there is no public interest one way or the other, just something that can only be justified as a means of taking up the time of the House at the minister's whim. If it be that kind of legislation, he is quite right in withdrawing it, but if it is intended to be legislation in the public interest, it was his duty to put the legislation into proper shape. I venture to say that the real reason why the minister does not want to go on with the bill is that it has to be redrafted, in order to make it conform with the other sections. The deputy minister said that in connection with the interpretation clause and in connection with applications that ought to be covered.

Mr. LOW: Why did my hon. friend not suggest the amendments?

Sir HENRY DRAYTON: He was willing to suggest them, if it would do any good. The minister was no more fortunate in getting that understanding of the situation into the head of the Justice department than he was in getting it into his own. Everybody else was at one. The whole trouble was with the minister. His own deputy, I have no doubt, would say the same thing as the Deputy Minister of Justice said, and if he would accept a sporting proposition I would ask him to go over to the deputy.

Mr. LOW: I went over the whole matter with my deputy, and when the memorandum was presented to me, I said it was a technical matter and asked him to take it over to the Justice department and have a bill properly drawn to cover it. I knew nothing more about it until the bill was introduced into the House. However, when it is introduced again there will be no question about the wording of it.

Mr. MEIGHEN: I do not want to prolong the discussion; it has been too prolonged; but I desire to say a word anent the minister's remark, which apparently conveys the impression that he had it in for the Assistant Deputy Minister of Justice, and particularly because that assistant deputy told them he was wrong here in the House, and had even committed the unpardonable offence of reading Hansard. I have not any brief for him. We did not appoint him; but having acted in the Justice department for a very considerable time, I want to say that this government has not any more faithful and few more competent officials than the same gentleman, nor has any government a more conscientious official. He is there early and late and has no affiliations of any kind. I had no communication with him nor had anyone in my behalf, but I knew he had a head on him, knew he was honest, and I appealed, without the slightest hesitation, to what he said, when I knew who it was that was referred to. The Deputy Minister of Justice did no more than his absolute duty, and if the minister is withdrawing the bill to get a better one, I compliment him.

The CHAIRMAN: It is understood the bill will not be reported.

Mr. LOW: I beg to move that this committee rise.

Progress reported.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS ACT AMENDMENT

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 190, to amend the Canadian National Railways Act, 1919.

Mr. MEIGHEN: This item was not included in the business mentioned on Friday night. I do not know whether we ought to press the objection or not. What is the bill?

Mr. GRAHAM: My right hon. friend will remember that last year the Guarantee Act of the Canadian National Railways, was amended in the Senate in reference to the guarantee of the equipment bonds. The amendment to the bill raised the question whether it did not take away altogether the right of guarantee equipment issues, the Justice department was consulted, and they thought it did.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Gordon in the chair.

On section 1—Guarantee only on authorized issues.

Mr. GRAHAM: The hon. member for West York (Sir Henry Drayton) and myself have discussed this matter a good deal. The other day I read the brief that counsel for the Canadian National Railways had put into my hands, as follows:

Paragraph 4 of section 2, of this last-mentioned bill reads as follows: "Nothing herein contained shall be construed as granting power to guarantee any securities the issue of which has not been authorized by parliament."

The trouble with this paragraph 4 was that it prevented, in the opinion of the Department of Justice, the issue of equipment securities for the reason that equipment securities are obligations of the Canadian National Rolling Stock Company, Limited, which is a company incorporated under the Dominion Joint Stock Companies Act. General power is given the Dominion Joint Stock Company to issue securities, but the Justice department considered that paragraph 4, as above quoted, was dealing with specific authority to issue a specific amount of securities and that the general power in the general act to issue securities did not comply with the wording of the paragraph. Consequently we propose to amend the paragraph to read this way:

"Nothing herein contained shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by this act or some other act of parliament."

The "some other act of parliament" covers the provisions of the Companies Act, and we have added the words "this act" so as to overcome the objection which was raised, but not seriously pressed, that the provisions of paragraph 4 destroy the power to issue securities given to the company by the Canadian National Railways Act itself.

For the purpose of further restricting the company in its issue of equipment securities, I have added the second clause to the draft bill to the effect that where parliament has authorized expenditure on equipment to the extent of 25 per cent of the cost, the company may make, or cause to be made, one or more equipment issues for the remaining seventy-five per cent of such cost; that means that in order to make equipment issues in the future we will have to go to parliament and obtain an appropriation of the 25 per cent down payment, which is always made in cash. When this appropriation is passed no further legislative authority is necessary to enable us to issue securities and, if deemed desirable, to have them guaranteed for the remaining seventy-five per cent.

That is, that the requirement of the act that parliamentary authority must be obtained will be complied with when parliament passes an appropriation for twenty-five per cent of the proposed issue.

Mr. MEIGHEN: When the bill was up before, the minister stated that the government was ready to engage itself not to guarantee securities under the act of last year or under this amendment except to the extent that the amount was included in the estimates of the year. I hope I have not misunderstood the minister on that?

Mr. GRAHAM: That does not include equipment issues. They are made on what is called the Philadelphia plan under which 25 per cent cash is paid and 75 per cent is issued as securities, the rolling stock purchased being the security for the 75 per cent. But these issues never go in the estimates. What I said the other night, and what I think my right hon. friend is referring to, is that we have no idea of departing from the practice of putting regular railway issues in the estimates.

Mr. MEIGHEN: That is to say, for all other purposes except equipment—

Mr. GRAHAM: Yes.

Mr. MEIGHEN: —the amount shall be in the estimates. I may say that equipment security guarantees have not been in the estimates before, for the simple reason that there were none. I think the minister will search in vain for any.

Mr. GRAHAM: There were last year.

Mr. MEIGHEN: Yes, $22,500,000, but there were none by the previous government. My opinion is that they ought all to appear in the estimates. If we adopt this practice it will be very hard to get away from it.

Mr. GRAHAM: Bonds are issued for 75 per cent of the equipment, and under what is known as the Philadelphia plan the amount due is amortized and so much paid every year

into a sinking fund to repay the bonds at the end of a certain term. I do not think you will find that they were ever placed in the estimates. Of course, branch lines are dealt with in separate legislation.

Mr. MEIGHEN: They never were in the estimates because there were no equipment guarantees until last year.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: No. Mr. Fielding the year before advanced about a million and a half dollars for equipment purchases, and the previous year we advanced about fourteen million dollars odd. This money of course was in the estimates, but at no time until this past year was any guarantee given of equipment securities. I do not say there were not equipment securities issued, but they rested on their own feet. I am not objecting to the principle of guaranteeing equipment securities, but I am not convinced that there is any real difference merely because a different system of payment is adopted. Every security issued has got to be paid. The equipment issue is given special security on the equipment, and I know other issues give a special security of their own. The equipment security provides for yearly payment; other securities do not, they provide for payment at maturity. But what difference that makes on the principle of including our liabilities in the estimates I am not able to see. My contention is that until the hour comes when the National Railway securities that we are responsible for are themselves assets to us equal to their face value, the amount of our responsibility we ought to always include in the estimates, and include in our debts our liabilities as respects the road. If we do not do that we may just as well take all our other securities which already have been added to our national debt, and which no longer are regarded as active assets, and regard them as active and deduct them from our debt. In a word, we have no right to say to the people of Canada that our responsibilities are such and such until the asset we take for our responsibility is equal to the amount of our liability. Consequently, it seems to me, the minister would be well advised to put all these things into the same catalogue exactly and include them in the estimates, and in our debt, until he is able to recover from the company interest on the mortgages we hold.

Mr. GRAHAM: Unlike the loans to the Canadian National Railways, the government is asked to contribute nothing directly to this particular loan except the 25 per cent that it pays in cash, and the securities for the balance of 75 per cent are issued against the new rolling stock purchased. As I said before, a certain amount has to be paid annually over a term of years until the whole is amortized. Now, putting it in the estimates would of course imply that the government must guarantee, otherwise there would be no necessity for it being placed there.

Mr. MEIGHEN: But it is just the same as any other estimate, if the government does not guarantee it the expenditure is that much less.

Mr. GRAHAM: But my hon. friend from West York (Sir Henry Drayton) and I the other night when discussing this matter agreed that it is well to have in the act a power to guarantee.

Mr. MEIGHEN: I think so.

Mr. GRAHAM: As far as the New York market is concerned, the government guarantee practically amounts to nothing, the United States understanding so well the system under which these securities are issued, but in Canada it does make a perceptible difference.

Mr. HANSON: As a matter of fact, does not the government guarantee the other 75 per cent?

Mr. MEIGHEN: This is authority to do so.

Mr. HANSON: What has been the practice in the past? Did the government guarantee the issue last year?

Mr. GRAHAM: Yes.

Mr. HANSON: Does the government say that these equipment issues of the National Railway would sell on the New York market at equally as good a price if the government did not guarantee them?

Mr. GRAHAM: On the New York market I would say yes; but not on the Canadian market.

Mr. MEIGHEN: The minister says there is a great difference because there is provision for annual payment of these equipment securities. Suppose the Canadian National Railways issued a mortgage for $12,000,000, and instead of making the mortgage bonds repayable in twenty years, with interest at 5 per cent yearly, they made them repayable so much every year, or provided a

sinking fund for the purpose, would the minister consider that a sufficient reason for not including in the estimates for that year the guarantee of these bonds by the country?

Mr. GRAHAM: I should not like to give an opinion offhand, but as a matter of fact these equipment issues are under a different system and a different principle altogether from other securities. They are an obligation of the Rolling Stock Company. The Rolling Stock Company primarily has its charter under the Companies Act, and that is one of the reasons for one of the changes in this act. These securities are treated in a separate and distinct manner altogether different from the guarantees of the Canadian National Railways themselves, and they are looked upon with such favour in the United States that a government guarantee is not considered to be of any assistance at all in marketing them. It did not enter my head that it would be necessary to put equipment issues in the estimates.

Sir HENRY DRAYTON: I do not think the former government guaranteed any equipment issues.

Mr. GRAHAM: I do not know.

Sir HENRY DRAYTON: I do not think I am wrong in my recollection. We used to get just as good prices for those issues on the New York market as was got in any other way, and I think my hon. friend is quite right when he says that in the New York market a government guarantee is not of any practical use. Since then a new situation has arisen in Canada in connection with the growth of our war financing; to-day we can raise large amounts of money without guarantee. There is a marked difference between a security issued on rolling stock and any other security. A security issued on rolling stock is one that can be readily realized upon, one of the very few things that a creditor can take in connection with the operation of a railway under the trust deeds. In connection with an ordinary guarantee or ordinary security, summary proceeding is out of the question; receivership is all that can be got. With regard to the amortization, I presume these are ten year bonds?

Mr. GRAHAM: I assume they would be ten, yes.

Sir HENRY DRAYTON: My recollection is ten; sometimes they are seven. Ten is about the longest that should be considered. The theory is that as you pay 25 per cent cash and as each year you have to pay a certain amount into sinking fund, there is not much risk. That is the plan the Americans have worked upon in connection with practically all their loans, and practically without loss. Loss on an equipment issue is a very rare thing; I do not offhand remember any. Frankly I do not think we are in very much danger of losing anything over and above the 25 per cent. But there is a great deal more to this bill than that. When the matter was being discussed the other day I pointed out that under the general act of the Canadian National Railways, which defines their present bonding powers, the right was given to the system to issue bonds to the extent of $75,000 per mile, and that I had been told by one of the railway officials that practically the whole of that privilege of issuing bonds had been exhausted. In connection with these regular bonds, which are the major part of the bonds of the system—the equipment bonds are very small compared to the regular bonded obligations of the system—there is a very sharp difference between the position we took in the past and the position of the hon. gentleman. Our position always was that the practice we initiated was right, namely, to include in the annual vote the amount of money required to help the railway out, whether in connection with guarantees or in connection with the furnishing of cash. We drew no distinction between guarantees and cash, and under the legislation of this very year my hon. friend availed himself of the practice that we had followed. Take, for example, his guarantee of equipment securities; he made that guarantee last year under the authority of the vote of last year. At least, that is as I understand it; if my hon. friend has any other legislation I wish he would tell us about it. However, I do not think he has. Now, I was not quite sure that the officials of the road were right about the limit of $75,000 per mile being nearly exhausted, and I put a question on the order paper, the answer to which I received to-day. The answer shows the outstanding funded debt of the Canadian National Railways, exclusive of the Canadian government railways, to be $856,147,056. The owned mileage, which is the mileage on which the right to borrow money would be calculated, is given at $15,668.41. The average per mile of bonds is given at $88,775.41. If these figures were correct I would have no objection to this legislation, because the government would have to come down and get parliament's authority before they could give these guarantees; there would be no right on the part of the company to issue bonds. As the right to guarantee is limited by the right to

issue bonds, if the right was exhausted then we should be squabbling over something which is not at all material. But my hon. friend's officials do not figure in such a way as to show that, or if they do they figure in such a way as to make for their argument and not for the facts. The average per mile of bonds I have given as $88,775. If you divide the amount of owned road mileage, 15,668.41, into the amount of the outstanding funded debt, it is obvious that that gives the amount of bonds per mile. If hon. gentlemen will take the trouble to check these two figures they will find that the amount issued is under $55,000 per mile—$54,643, to be exact. So that the effect of the legislation that my hon. friend is now introducing is, first, to give the right of guarantee after the voting of 25 per cent of the amount to be expended in the equipment. As I say, I do not think there is much issue there.

Mr. GRAHAM: I did not quite follow that.

Sir HENRY DRAYTON: There are two questions involved. First there is the matter of the guarantee of equipment securities. In that connection the House is to be informed, because under my hon. friend's own proposal 25 per cent of the whole cost is to be voted in cash.

Mr. GRAHAM: That is on equipment.

Sir HENRY DRAYTON: On equipment. So we there do get some control of the system; we do get these figures submitted to us; we have the opportunity of check and we have the duty of voting. Then, the next proposition is to get an untrammelled right of guarantee. That general right of guarantee, in its turn, is held down by the $75,000 per mile. The figures submitted would show that it had been altogether exceeded, but that figure of $88,000 odd is incorrect. The correct amount is, as I have stated, $55,000 odd per mile. So the effect of this legislation is to give the government the right to issue these guarantees without the considered consent of parliament to the extent of $20,000 per mile on a mileage of 15,668. It does not require a very close figuring to show the tremendous extent of the blank cheque which this legislation would entail. If my hon. friend is well advised he will go back to the old practice so far as these votes are concerned. He did it last year and it did not hurt him at all. He is getting the advantage now in connection with his guarantees of 25 per cent. If he would just take section 2 of his bill and drop section 1 he would then be in a position to carry on business as we have always carried on, plus the right of issuing guarantees on securities when there was only 25 per cent voted.

Mr. GRAHAM: I do not quite follow my hon. friend when he says it would give us carte blanche to issue securities without the sanction of parliament. But let me refer to the other matter first, for my hon. friend's criticism of the figures needs a little elucidation.

My department errs very often in giving more information than is asked for. In this case we were asked only for the bonded indebtedness, but in addition to that they added an amount of something like five hundred odd million dollars that the railways owed the government for loans from the government, not being bonded indebtedness, and they made the amount of indebtedness per mile $88,000. That was not the question asked. The question was, what was the bonded debt? So, deducting the amount of government loans in cash from the totals given in the statement my hon. friend has in his hand, would leave the amount of fixed debt at $856,147,056; dividing that by the mileage, exclusive of the government railways, on which there is no bonded indebtedness—on the Central Vermont there is something like $40,000 per mile indebtedness—would leave $55,000 per mile as the bonded indebtedness That does not include the loans in cash from the government to the railway, these having no bearing on the question of indebtedness

It will be remembered that last year Mr. Fielding introduced a bill taking power to grant certain securities. That bill was amended in a way that the Department of Justice informs us possibly takes away all the powers of bonding from the Canadian National Railways, so far as equipment is concerned anyway, and it is rather to restore that power, without depriving parliament of any rights that were purported to be guarded in the bill of last year, that we are introducing this legislation

This bill is amending subsection 4 of section 2 of the Canadian National Railways Guarantee Act, 1923, and that subsection reads:

> Nothing herein contained shall be construed as granting power to guarantee any securities the issue of which has not been authorized by bond.

The amendment proposed is this, and I shall submit it to the committee after the explanation I have made:

> 1. Subsection four of section two of The Canadian National Railways Guarantee Act, 1923, is hereby repealed, and the following enacted in lieu thereof:—

"(4) Nothing herein contained shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by this act or some other act of parliament."

Some other act of parliament, I presume, refers to—

Sir HENRY DRAYTON: The general bill of 1919.

Mr. GRAHAM: Or the powers of the rolling stock companies.

Sir HENRY DRAYTON: The company has the right with respect to rolling stock.

Mr. GRAHAM: I do not understand that this gives us carte blanche to authorize guarantees without coming to parliament.

Sir HENRY DRAYTON: I think it does, and I think I can carry the judgment of my hon. friend. In the first instance, I will come back just for a minute to the question of the guarantee clause my hon. friend has referred to. They are two distinct matters entirely. In so far as the guarantee is concerned, I have pointed out that in that connection parliament's advice is taken, and a vote of 25 per cent of the guarantee has to be passed. That guarantee, I do not think, is subject to very much risk at all. It is something which has not been found necessary to use in the past. It was used once this year under the regular form which we have used for many years, under which railway assistance, whether by way of direct grant, guarantee, or anything else, has been given in a supply bill. Now my hon. friend's government, last year came to the conclusion that they did not want to bring down in a supply bill any question of guarantees. We thought they were wrong at the time we took our stand.

Mr. GRAHAM: That was on the branch lines bill?

Sir HENRY DRAYTON: No, on this very issue. Last year we passed a law, which deals in the first instance with the securities of the company. Perhaps I had better read it all:

No securities, as defined in this section including in such definition equipment certificates or obligations in any form intended to be issued to the public, shall be issued for the purposes of or by the company or any of the companies designated in the schedule hereto except those approved as to form, terms and amount by the Governor in Council.

I may pause there simply to say that there was no objection to that at all. As a matter of fact, there was no need for it, because the company always had to come to parliament, and we had complete control over it, but there was no harm in taking further control, and so there was no objection. The next clause reads:

The said securities so approved may be guaranteed by His Majesty and any such guarantee may be in such form and on such terms and conditions as the Governor in Council may determine, and may be signed by the Minister or Acting Minister of Finance on behalf of His Majesty.

The effect of that legislation was to give the government the right to guarantee, without coming back to parliament at all, any securities of which they approved and which were issued by any of these companies. That was the thing we objected to. We said, "You should incorporate this in the supply bill, come back to the House, and in the usual way get your right of guarantee." But the government did not agree with us at all. The matter was taken up in the Senate, and the Senate and government have agreed to this clause:

Nothing herein contained shall be construed as granting power to guarantee any securities the issue of which has not been authorized by parliament.

One would naturally think it would be imprudent indeed for any government to want to do anything more than that. The form is not the form in which we thought it should be in at all. We thought we should still have our supply bill, we should still have our vote, and that parliament should still know exactly where the railways were to be, and what the country's commitments were. That was our position and, speaking frankly, I do not think the amendment in the Senate was a proper or a sufficient one. However, it was something that pleased the government and they took it gladly.

Mr. GRAHAM: I did not.

Sir HENRY DRAYTON: Well, my hon. friend perhaps was not here but no objection was raised by the government at all; they accepted it immediately. The difficulty the government find themselves in is this: In consequence of the opinion given by, I think, the law officers of the government—this is their considered view after this question had been taken up by the legal gentlemen that look after these issues—the construction was put upon this section that the power to guarantee securities is one limited not to the case of the general right of issue but to the specific right of issue. I think my hon. friend will agree with everything I have said so far. That is where the whole difficulty is—that although it may have been thought that this would give a blank cheque, a blank authorization, the lawyers have since held that there being a term of limitation on the powers of guarantee, the

specific right of issuance must be first shown before there is the right of guarantee. I think in this I still carry the judgment of my hon. friend. Now, the minister says he does not understand when I point out that this is a case of general right to the government. What has been done is this: Under the former bill we have the limitation, as construed by the law officers, that I have already mentioned. The government want to get away from that so they propose:

Nothing herein contained shall be construed as granting power to guarantee any securities the issue of which has not been authorized by parliament.

The use of these words is to show that a specific right was not required, was never wanted, but that the general right of issuing securities either under this act—which would apply to equipment securities—or under any other act which would apply to the general rights of issue, was the only thing that had to be considered. I think my hon. friend will agree with me that is the situation down to this point. I would ask him if we are at all at variance down to here.

Mr. GRAHAM: I am a little afraid to agree with my hon. friend, because perhaps I have not sufficient grasp of the legal side of the matter. I will read him Mr. Ruel's opinion instead of giving my own, not in reply but as an explanation:

The trouble with this paragraph 4 was that it prevented, in the opinion of the Department of Justice, the issue of equipment securities for the reason that equipment securities are obligations of the Canadian National Rolling Stock Company, Limited, which is a company incorporated under the Dominion Joint Stock Companies Act. General power is given the Dominion Joint Stock Companies to issue securities, but the Justice department considered that paragraph 4, as above quoted, was dealing with specific authority to issue a specific amount of securities and that the general power in the general act to issue securities did not comply with the wording of the paragraph. Consequently, we propose to amend the paragraph to read this way:—

Nothing herein contained shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by this act—

That is the act in question.

—or some other act or parliament.

Now, what I cannot get thoroughly through my mind is this: The suggestion that this does away with the necessity of getting an authorization by act of parliament for the guaranteeing of bonds.

Sir HENRY DRAYTON: That is the only reason it was put in here; we do not need it for any other purpose.

Mr. GRAHAM: But why "the issue of which has not been guaranteed by this act." That is the Canadian National Railways Act.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: Yes.

Mr. GRAHAM: My hon. friend does not propose to take away any rights guaranteed that way in the Canadian National Railways Act?

Sir HENRY DRAYTON: There are no rights there.

Mr. GRAHAM: If that be true I cannot see where this makes any change. I want to point this out to my hon. friend: He stated that last year $22,000,000 was not in the estimates but 25 per cent was explained in the House, and voted, as being for the purpose of the purchase of rolling stock. I do not think that was in the estimates at all.

Sir HENRY DRAYTON: Not in terms but we had an amount of money then large enough to enable my hon. friend to do just what he did. The very putting of the vote gives the right of guarantee for any of these purposes right up to the amount of the vote. My hon. friend therefore had the right to go on in the case of the money that was paid in each year.

Mr. GRAHAM: I think that is the case.

Sir HENRY DRAYTON: I think that was the case.

Mr. GRAHAM: When I say that, I have reference to the case as I have stated it; my hon. friend has reference to the case as he has stated it.

Sir HENRY DRAYTON: We are practically at one down to this point. Now, my hon. friend agrees he has got to get amending legislation for the simple reason that the act of last year was read in the narrower sense which required specific authorization of an issue before the government could get a guarantee. My hon. friend no doubt agrees with that also. Where we cease to be in agreement is merely as to the effect of this legislation. In the first instance let me point out this one fact which is perfectly clear—that unless a general right of guaranteeing is given by this legislation, which to-day does not exist or which to-day is limited in the manner I have pointed out, there is absolutely no object in the legislation. There is no object in asking the House to pass it or in taking up the time of the House in considering it. If these rights exist to-day why waste time unnecessarily?

Mr. GRAHAM: I do not want to appear as discussing any legal point with my hon. friend, but the Justice department tells us

that the legislation of last year took away any rights of issue we had. This legislation is to restore the rights and in addition to provide that parliament shall have the protection—shall have the further restriction—that any equipment issue must first be approved by parliament to the extent of voting 25 per cent of it.

Sir HENRY DRAYTON: My hon. friend is right and he is wrong. He is right to this extent, that the law officers apparently have advised him—I am not saying they have not advised him absolutely correctly—that we have got a statutory limitation worked by section 4 of the government's right of guarantee; my hon. friend is wrong when he says the legislation of last year took away the right of guarantee. It did not. It never existed before. Why, the right of guarantee in the government of itself, and apart from this House and the votes of this House, never existed until the legislation of last year. The right of guaranteeing in the railway estimates and in the supply bill always had to be given to us by parliament; so that it is not right to say that the legislation of last year took away the right of guarantee. It did not, because it did not exist. The legislation of last year first gave, on the one hand, the omnibus right of guarantee; and then, through a mistake to which I think the government fell heir, the general right was restricted, and it ought to be. My hon. friend says he does not think this gave any general right. I point out, that under the legislation with regard to the Canadian Northern system—and I am not now going into all the other different companies—there might be arguments as to whether they did not still have the right to issue securities. I am not going into the question of whether, by order in council or in some other way, the right of issuing bonds could not be given on the Transcontinental, Intercolonial, and so on; but I will simply take up what is absolutely beyond question or doubt. Under the legislation of 1919 the Canadian National Railway has the right to pledge the road and issue bonds to the extent of $75,000 a mile. I do not think the minister will disagree with that statement.

Mr. GRAHAM: Yes, $75,000 a mile.

Sir HENRY DRAYTON: That is the plain fact as I recollect it, and I do not think my memory is faulty in that regard. There is the right to issue up to $75,000 a mile just on one part of the system, some 15,668 miles. All my hon. friend has to do is to take that right to issue $75,000 worth of securities, take this legislation in the way he now proposes it, and this government would be in the position, without the slightest say-so of this parliament at all, of guaranteeing the bonds to the extent of $313,000,000. I really think that if my hon. friend sees what he is doing, and sees the extent to which these figures run, he will consider that the government would be very much better without this right. Surely parliament ought not lightly to put into the hands of any government the right to guarantee railway securities to the extent of $313,000,000. It is an absolutely unheard-of proposal. We did our best last year to make the point clear on the closing day of the session. This time we have the accurate figures, and I ask my hon. friend to check them. We have a little under $55,000 a mile of bonded indebtedness. I take the figure roughly at $20,000 and if my hon. friend will just multiply that—

Mr. GRAHAM: I have figured it all out.

Sir HENRY DRAYTON:—he will find that I am right in saying that he would have the right to issue guarantees to the extent of $313,000,000. It is idle to talk about parliament voting 25 per cent of all these things. It does not do that.

Mr. GRAHAM: I did not say that.

Sir HENRY DRAYTON: The only thing it passes is the vote for equipment securities. I am not objecting to that. There is the right of parliament to have the say in all these matters, railway or finance. Let the minister do as I suggest, and we will be able to say something on the 25 per cent. We will know what we are doing; but there is not one single sou marquee to be voted in connection with that enormous guarantee of $313,000,000. All the minister has to do is to drop the fourth section and put through section 2, to give him the right in connection with the guarantee. That is, if he will properly observe, as I submit he ought to, the right of parliament to pass on these things, and not take such tremendous powers.

Mr. GRAHAM: Section 4 of this bill of course was prepared by the counsel for the Canadian National Railways. I have had no idea of any intention, near or remote, of endeavouring to get for the government the power to guarantee $20,000 a mile without the consent of parliament. I would not recommend an order in council, and would not agree to it myself, no matter what the act was, unless I was ordered to do it, for any such purposes; because I believe the parliament of Canada is supreme in all these things, so long as we are shareholders of the road. We will leave that. I have not yet

got through my mind that the bill does what my hon. friend says it does. I think he has probably mistaken the meaning of the words. There is no suggestion or desire to do what he suggests. Last year the bill as first introduced by the Minister of Finance was more for the purpose of imposing a check on the railway company, in order to have control of the bonds. However, we will let section 4 stand till to-morrow. We will agree to section 2, and I will get a further explanation, because I have no further explanation on the part of the government at present. In fact the government would not want to take the responsibility of issuing securities of that kind without the consent of parliament. I move that the committee adopt section 2, let section 4 stand until we get some further information, and report progress.

Mr. MEIGHEN: I suggest that nothing be accepted yet. If the section is allowed to stand, which I think is the proper course, let the whole bill stand. I have a high appreciation of the point raised by the hon. member for West York (Sir Henry Drayton). I had not observed the effect of the bill as fully as I do now, and I am satisfied that the minister will find the effect that my hon. friend from West York describes naturally flowing and inevitably resulting from the legislation.

Mr. GRAHAM: What will we do if the Justice department says the act as it now stands has the effect of taking away all power from the railway to guarantee any securities?

Mr. MEIGHEN: I do not attempt to paint the lily, but I will put the matter as I understand it, and it may be of some value to the department when the minister lays the matter before them. What the minister started in to do last year—

Mr. GRAHAM: It was not my bill at all last year.

Mr. MEIGHEN: I refer to the Minister of Finance. What the Finance minister proposed to do last year in respect of the general guaranteeing is just what the minister this session sought to do in respect of his Branch Lines bill; that is to say, to obtain power to advance money in the one case, and to guarantee it in the other case, without having the authority specially mentioned and the amount voted in the estimates That is the course the Minister of Finance started to pursue last year, and we resisted. The Minister of Finance took a general power to so guarantee, and if the bill as it passed this House had gone through the Senate, the very general power the hon. member for West York (Sir Henry Drayton) now describes would have been in the hands of the government. However, the Senate attached a rider, the effect of which turned out to be that that general power is restrained; and restrained how? Just to this extent, that it can apply only to issues for which there is specific authority.

The minister this year wants that restriction removed because, he says—and I do not at all dispute his bona fides—"unless I get it back the way intended last year, I cannot get my equipment issue guaranteed." The reason is that the issuing of his equipment securities lies in territory beyond the restriction of last year; it lies in territory covered by the general power of guarantee, not by the specific power. But a great deal more lies in that territory, even the amount between the $55,000 a mile and the $75,000 a mile. So, when he removes the restriction of the Senate, he opens up the whole thing, and he is able to guarantee not only his equipment securities, but the extra $20,000 a mile over the whole 15,000 miles. That is the effect of the amendment that is set out in this legislation.

Mr. GRAHAM: I cannot see it.

Mr. MEIGHEN: If the minister wants only what his object is, he can secure it without opening up that tremendous field of guarantee that is opened up by the removal of the restriction. All that he need say is that the government may guarantee equipment issues such as may be authorized by the act incorporating the Rolling Stock Company, and which are covered by the 25 per cent. I do not advise him to do the thing in that way. I would advise him to go back to his supply bill every time and to include his equipment in his supply bill.

Mr. GRAHAM: I think this is right but it is subject to correction. In 1921-22 the Canadian Northern Railway had an equipment issue guaranteed by the government of $11,000,000.

Sir HENRY DRAYTON: I do not think we ever guaranteed them.

Mr. GRAHAM: It is in the list.

Sir HENRY DRAYTON: It may be. If it is, it has escaped my memory. I think it is a mistake.

Mr. GRAHAM: I think that is an equipment issue.

Sir HENRY DRAYTON: I do not think so.

Mr. GRAHAM: I will find out before this bill comes up again because that will be of some importance as to the practice.

Mr. MEIGHEN: If so, it was included in the authority voted in the estimates, but I do not think it existed.

Mr. GRAHAM: I am going to ascertain that. I do not think it was in the estimates. I think it was guaranteed.

Mr. MEIGHEN: The reason why I say I do not think there were any equipment guarantees is because, for the purposes of the debate on the budget, I asked for a statement in the premises and the statement did not show any guarantee prior to 1923. If the minister is ready to do as to equipment issues what he is ready to do as to all other issues, that is to say, to have them voted, he will not need any such act as this. If he is not prepared to do that all he requires is a bill providing authority to guarantee wherever parliament votes the 25 per cent.

Mr. GRAHAM: I am not going to argue the question any more. I am going to let it stand until we get the thing right. But in 1921-22, the Canadian government guaranteed a loan of $25,000,000 for the Canadian Northern Railway Company, and they guaranteed a loan for the Grand Trunk Railway Company of $25,000,000. Consequently, I am inclined to think that this amount of $11,000,000 was equipment issue, but I will see whether it was in the estimates.

Mr. MEIGHEN: We have no objection whatever to the minister guaranteeing equipment issues. All we ask is that they be included in the estimates the same as was done there if there was a guarantee.

Mr. GRAHAM: I do not think it was in the estimates.

Progress reported.

SUPPLY

IMMIGRATION AND COLONIZATION

The House in Committee of Supply, Mr. Gordon in the chair:

Immigration and Colonization—British Empire Exhibition, $300,000.

Mr. ROBB: I have called this item first because I understand some hon. gentlemen are to be absent to-morrow who are interested in this appropriation. The British Empire Exhibition, as hon. members know, is an exhibition at Wembley Park, London, England, representative of all the British dominions as well as the Mother Country. It is said that the idea originated with a former Canadian High Commissioner, Lord Strathcona. Canada was invited with the other British dominions to take part in this exhibition. I think the minister last year explained that fully and I will not go into it any further than to present to the committee what we have accomplished. It will be generally admitted that Canada is on the trade routes to different parts of the British Empire. No other British dominion is so favourably located geographically as Canada to trade with the other parts of the Empire, so it is fitting and, we believe, profitable that Canada should take part in that exhibition. I have been told by those who have been over there that we have one of the best sites in Wembley Park, and it is generally admitted by those who have called at the office, by those who have written to us, and by the press despatches, not only of the United Kingdom, but coming from other parts of the Empire, that Canada's exhibit is recognized as the best of all exhibits at this exhibition.

As has been the custom for many years in connection with the Canadian Immigration Commissioner, who was one of the commissioners in charge of exhibits from different parts of the Empire, his was the exhibit that was ready and complete on the opening day. Mr. Tolmie, the commissioner in charge, advises us that the building is divided into two parts, one part containing government exhibits, that is the natural resources of the country, agriculture, forestry, fisheries, minerals, fruits, water powers, educational exhibit and art, and the other is devoted to our manufactured products. From a list sent me I find there are 268 exhibitors of these products. The building is 451 feet long by 280 feet wide with an annex at each end 110 feet long by 90 feet wide, one belonging to the Canadian National Railways and the other to the Canadian Pacific Railway, containing exhibits of their railway equipment, national parks, natural resources, and whatever else would attract tourists.

Based on our experience at the Milan exhibition of 1906, the Dublin exhibition of 1907, the Franco-British exhibition in London of 1912, the Ghent exhibition of 1913 and the San Francisco exhibition of 1915, we gave the contract for the building to the contractors who had erected our buildings at those exhibitions, and that is one reason why we were ready, on the opening day at Wembley.

Mr. MEIGHEN: Who were the contractors?

Mr. ROBB: Humphreys Limited.

Mr. MEIGHEN: Where from?

Mr. ROBB: I really do not know. They are a British concern.

Mr. MEIGHEN: Who is the Mr. Tolmie in charge?

Mr. ROBB: He is the Commissioner of Exhibitions, and was trained under Mr. Hutchison. He has been attached to the Department of Immigration for many years.

Mr. MEIGHEN: W. T. R. Preston?

Mr. ROBB: Don't re-open that old sore to-night; we wasted too many hours over it last week. Our building represents Canada as a whole, but every exhibit is distinctly labelled showing the province and the locality in that province from which it comes. In other words, we have a Canadian exhibit as a whole with provincial representation. It is thought that this being an Empire exhibit, it would be a fitting occasion for us to send from this parliament a small deputation consisting of representatives of the different parties, who might have an opportunity of associating with representatives from the other outlying portions of the Empire. There is little use putting so much money in this exhibition without trying to get from it the very best advertisement we can. While we will leave it to each party to make its nomination, it has been thought that the chief whips might form the delegation.

Mr. HOEY: Are the provinces concerned paying the expenses of their representatives?

Mr. ROBB: When Major Belcher was sent around the Empire to organize this exhibition he reached Canada with the idea that every province should have its exhibit. He had fostered that idea in South Africa, New Zealand and Australia, and in fact had convinced the Australians that that was the proper system to adopt, but we pointed out to him the advantages of organizing these exhibits on a dominion or commonwealth rather than on a provincial or state basis, and finally he adopted our view. I may add that Australia recognized the merit of our suggestion and theirs is a commonwealth exhibit. Many years ago we had the provincial idea and found it a failure. I am not sure when we made the change, but I remember that our Canadian exhibit at San Francisco was recognized to be the best on the grounds, because we had the one outstanding idea—Canadian. It was proposed to the provinces that they should share in the expenses on the basis of population, and after considerable correspondence some of the provinces were willing to do so but others were not. Finally, last fall when we had our Immigration conference here I suggested to the provincial representatives, and confirmed it in writing, that each province might send an accredited representative and deduct his expenses from its share of the contribution which it would make to the federal treasury. So to that extent the provinces are represented, but if they do not make such contribution they will pay the expenses of their representatives.

Mr. LEWIS: How many delegates is it proposed to send to the exhibition, how many groups are to be represented, and what is to be the total expenditure for this purpose?

Mr. ROBB: I had in mind a very small delegation. The total expenditure will be the cost of transportation and a living allowance while in England.

Mr. LEWIS: How long are they to be there, and what is the estimated expenditure?

Mr. ROBB: I imagine about forty days.

Mr. CAMPBELL: What is to be the amount of the living allowance?

Mr. ROBB: Twenty dollars a day, and $400 for the return fare.

Mr. LEWIS: Has the number from each group been decided upon?

Mr. ROBB: No; but I should like to say right now that we do not feel we should send the whole parliament, much as we would like to; we think it should be a very small delegation.

Mr. HOEY: Would the expenses be paid out of this item of $300,000?

Mr. ROBB: Yes.

Mr. CHURCH: Has it been possible to allot space in the Canadian building at Wembley to all the Canadian manufacturers who applied for it?

Mr. ROBB: Space was allotted by the commissioner, working with the different government representatives of the natural resources of the country and with a representative of the Canadian Manufacturers' Association. We charge $2.50 a square foot for show case space and $1.75 a square foot for the other space. At the time the exhibition was opened the space was all allotted. Recently some exhibitors who had been given not one opportunity but no less than three opportunities to take space, having learned that the exhibit was a great success, have

been demanding that space be given them. It was not possible to accede to their request, the space having been all allotted to those who had early in the year intimated their desire to exhibit.

Mr. LEWIS: Are these members going over as a responsible body, or are they going in a sort of social or fraternal way? Is parliament to be responsible for what the delegates say when they get overseas?

Mr. ROBB: Oh well, they would go over as a representative body. Parliament is not responsible for what anybody says in parliament; every man is responsible for his own statements. They will go over as a body representing the parliament of Canada.

Mr. WOODSWORTH: As I belong to the smallest group in this House, a group that will not be asked to go over and that would not go if it were asked, I want to oppose this vote. I speak as representative of one of our western cities where we believe that the time has come for economies along certain lines. We cannot see any reason why certain members of this House should be picked out and sent overseas on what is ordinarily termed a joy ride. If these particular persons were to be placed for five weeks in the Canadian building as an exhibit, there might be something to be said for the proposal, but if they are simply to go over there, look around, make speeches and have a good time, I think there are some expenditures that might better be made for which there is crying need throughout the country. Again and again we have asked that something be done to relieve the pressure of unemployment that persists out in our western cities, but the government cannot see its way to do anything of that kind. This exhibition itself may very well increase unemployment in Canada by bringing over a number of people who are unfitted for life in this western country. However, that is another matter which I may touch upon later. For the present I should like to protest against the precedent which would be instituted by picking out a number of men to go over there without any ostensible purpose in view.

Mr. ROBB: It is not a precedent; they have been sent before.

Mr. GARLAND (Bow River): What will be the estimated total cost of this trip? Surely the minister has some idea of the number that are going and of the cost involved. That at least is due to parliament.

Mr. ROBB: I should think it would not cost more than $15,000 or $20,000. It would depend on the size of the delegation. It may cost less, possibly not more than $11,000.

Mr. CAMPBELL: Are there any particular duties resting upon this group? I understood they were to be connected with the Immigration department, in the way of giving a certain amount of information to people in the Old Country. Or is their trip purely of a social character?

Mr. ROBB: Very naturally a Canadian going over there would, if he had the opportunity, tell of the advantages of the country he lives in.

Mr. CAMPBELL: Then the government will find itself facing a definite responsibility for the statements of these men, if they are expected to give information about the country.

Mr. GARLAND (Bow River): I wish to join the protest of the hon. member (Mr. Woodsworth) against this vote. It is a disgrace that we should adopt a procedure of this kind when we need so many things in Canada. We need relief for agriculturists; we need rural credits; we need transportation; we need unemployment relief—we need anything that any country needs; yet we turn round and vote $20,000 for three or more persons to go over to England whose principal duty apparently will be to tell how employment may be secured in Canada. I do not think that is fair either to Canada or to those over there. I have no doubt the idea would be to select some—what we might call awful examples, to show how splendidly they have done in this country. I do not like the idea of this vote at all. I am going to move, Mr. Chairman, that the item be reduced by $20,000.

Mr. ROBB: It is quite true that we need much in this country. If there is one thing we need more than another it is markets, and we need to give out a knowledge of the products that we have to sell.

Mr. CAMPBELL: Surely there is a sufficiently large staff of technical men over there dealing with the marketing problems. If these men are unable to secure markets for us, how can we expect these parliamentarians to do it?

Mr. GARDINER: I want to protest against the spending of money for sending delegates from this parliament over to the Old Country. I know the conditions that exist in western Canada to-day; I know of many families out

there who do not know where the next meal is coming from. If parliament is to vote money to send some of its members across to the Old Country merely as a social event, I think it is a crime against the interests of the Canadian people as a whole. A few years ago the government or parliament undertook to open up certain areas in western Canada, areas on which it was impossible to make a living. People went in there at the invitation of the government and spent ten or fifteen years in an effort to make a living, without success. Only a few days ago I interviewed the Minister of Agrculture (Mr. Motherwell) to see if a small advance could not be obtained to assist these people to go to some other part of the province or some other part of the West where they could get a better location or where they would have some opportunity to make a living and be enabled to stay in this country. But the minister said, "No, we could not vote any money for that; that is an impossibility." Yet to-day parliament is asked to vote approximately $20,000 to send members of parliament on a junketing trip. I object to the proposal.

Mr. EVANS: I rise also to oppose this scheme for sending delegates to the Wembley Exhibition. If the government want to send anybody over they should appoint them and take the responsibility for them. I take it that the whole scheme is one of immigration. I cannot take part in any scheme of immigration under the conditions that prevail in agriculture throughout this country—conditions that could very largely be alleviated by the government. It may be said we need markets, but we shall not extend our markets very much by taking a trip over there for five weeks and spending $20,000. We have marketing agents in every country in the world at the present time, but our trade policy in this country diminishes our markets rather than expands them.

I am opposed to the present scheme of immigration, and did I go over to England I could not take part in it. I could not point out the advantages of this country to intending immigrants, not because this country is not worthy of more immigration, but simply because of the conditions that this government could remove in that the earnings of these immigrants, through unjust legislation, are year by year filched from them, so that after a lifetime of work we have many in Canada to-day who are no better off than when they first emigrated. To me the present immigration scheme—well, it is practically a white slave traffic, and I am not going to take any part in it, and until these conditions that are removable are removed, I shall raise my voice in protest against any such scheme.

Mr. MACKENZIE KING: A glance at the past will, I believe, indicate that it has been customary for the government, where Canada has had a Canadian exhibit at some international exhibition, to have the country represented by distinguished citizens, members of parliament or a parliamentary delegation, or others as commissioners representative of the country as a whole. As far back as the Centennial at Philadelphia in 1874, this parliament sent at the expense of the country some of its leading citizens as commissioners representative of Canada to the international exhibition held in that city. At the time of the World's Fair at Chicago, in 1893, this parliament sent two of its members to represent the parliament of Canada at that exhibition which was also in the United States. I have before me the Hansard which contains the debate at that time, and the question that arose then was as to the amount that the members of parliament were to be paid. Parliament appears to have agreed that it would not be proper to allow anything for "services" so called, but that on an occasion of the kind it would be proper that there should be a liberal allowance for expenses, and accordingly members of parliament were sent from Canada under the Conservative government of the day to represent this country at that exhibition in Chicago.

There have been inter-Imperial gatherings in England at which this country has been represented by members of parliament, gatherings which afforded opportunity for gentlemen in public life in this country to become acquainted with fellow British subjects, citizens of the Empire resident in the Old Country, and others from other of the self-governing dominions. At the time of the coronation of King Edward VII., the parliament of Canada was, I think, represented by several ministers. At the time of the corona- of King George, in addition to the ministers who were present, there was a large delegation representative of both houses of parliament. That event was not looked upon as a junketing expedition, but as one of those much to be desired opportunities of bringing together members of parliament from different parts of the Empire to interchange ideas on matters of common interest in the expectation that in the sum of things, in the long run, all parts of the British Empire would gain from a representation of the kind.

Last year when I was at the Imperial conference, members of the British government of the day and some of the members of parliament spoke to me as to the possibility of having a representation of the Canadian parliament visit England during the holding of the British Empire Exhibition. It was intimated that an effort would be made to have representatives of the different parliaments of the self-governing dominions present in London during the months of the exhibition. I was asked to convey to my colleagues and to the members of the House an invitation on behalf of the British members to visit the exhibition, and to say that if an official delegation were sent over they would be sure of a very hearty welcome from members of the British parliament.

When the government was considering the representation of Canada at this exhibition, it was thought at first that representation might be best effected by appointing, as was done in some other cases, commissioners, that some half-dozen or more prominent persons in Canada might be appointed to represent our country overseas as commissioners at the British Empire Exhibition. It was realized that Canada was likely to have one of the finest exhibits of all the self-governing dominions; it is now admitted, I think, to be the finest of all. As a government, we felt that rather than appoint special commissioners outside of parliament, and rather than have the country represented exclusively by ministers of the Crown, we could not do better by way of representation of Canada than to choose from this Dominion House of Commons, irrespective of parties, a few of its members, and have these gentlemen represent the Dominion of Canada at the British Empire Exhibition. We felt were it understood that the party that was to go were chosen in the manner I have indicated, as representative of the main divisions in the House, we would be taking a course of which the public generally would strongly approve. There are occasions when a country stands to gain by indirect as well as by direct methods. I think it may be assumed that members of parliament going from Canada to the present exhibition in England, particularly if they are selected from among the more active members of the House, will come back with a knowledge of other parts of the British Empire and with ideas which will be useful to this country, and at the same time that while they are in England they will carry with them and be able to impart to others ideas with respect to Canada and her relations with the other parts of the Empire which will be all to the good.

I would respectfully express the hope that the House will see its way to take a large view of the matter, not look upon it in any small way, but rather take pride in the fact that we have a country that we may well be glad to see represented abroad by its members of parliament, and agree to allow the minister the opportunity of making the arrangement which the government proposes. It is not one which involves a large expenditure.

May I add this further word, since the minister himself has spoken of the possibility of having the whips of the different parties in any group that may go. Very few of us, I think, appreciate just how much the work of parliament, the orderly carrying on of business here, is dependent upon and facilitated by these gentlemen who give their service without any thought of what it costs them in time and effort, and without expecting anything in the way of recognition or remuneration from their fellow members in the House or from parliament itself. It is a very little thing for us to attempt to recognize in this way a part of the great service which they render not only parliament, but the country. I hope parliament will respond to this very fitting request in a liberal manner.

Mr. SPENCER: Unfortunately I had to be a little late coming into the chamber, and I have not heard what groups in this House are supposed to be represented. I should like to know what groups have been suggested—how represented, and how many from each group—and what the expenditure per member will be for the members it is suggested shall be sent.

Mr. ROBB: A few moments ago I gave the estimate that the expenditure would run from $11,000 to $20,000. It depends upon the number that will be sent from the three different groups in the House. While I am on my feet I should like to put on record some of the statements that have come in to us as to the work that Mr. Tolmie, the Exhibition Commissioner, is doing. That is only an act of justice to Mr. Tolmie, who is an old employee of the government of Canada and has had charge of exhibitions under different administrations. In the first place the High Commissioner for Canada writes as follows:

24th April 1924.

Dear Mr. ROBB,

The British Empire Exhibition was opened yesterday and I can vouch for it that the Canadian building is beyond compare. It was the only building on the grounds that was absolutely ready to the last tack. Mr. Tolmie did wonders and deserves the utmost credit.

Sir James Stevenson and Sir Travers Clarke, the two real managers of the exhibition, are simply delighted, the latter telling me that the building itself and its completeness just show the capacity of the people it represents. This was a very neat compliment indeed.

I am proud of the Building; proud of its management and everything connected with it and I want again to say that Mr. Tolmie and Mr. McKinnon are wonders.

Your sincerely,

PETER C. LARKIN.

The Honourable JAMES A. ROBB, M.P.,
Minister of Immigration and Colonization,
Ottawa.

P.S.—Sir Joseph Cook, the High Commissioner for Australia, was telling me he had gone through the building the day before and he said he absolutely had to acknowledge that we were far and away the best thing in the grounds. Yesterday, after the ceremony in the stadium, the hundred odd thousand people seemed to make a rush for the Canadian building for it was jammed.

P.C.L.

Then on May 5, this message was addressed to Mr. Tolmie:

2 Garden Court Temple,
London, E.C. 4. 5th May, 1924.

Dear Mr. TOLMIE,

I went to the British Empire Exhibition on Saturday, and I must write to congratulate you on the Canadian pavilion. I think that it far surpasses anything else in the exhibition.

Yours sincerely,

BEAVERBROOK.

Here is a message from the Deputy Minister of Trade and Commerce who was over there:

Ottawa, May 28, 1924.

I have not had the pleasure of seeing Mr. Robb since I came back, for I wanted to add my testimony to the wonderful exhibition that Tolmie has put up at Wembley. He is the greatest living showman, and he has had a heart-breaking time of it. I hope the government can find a way of giving him a bonus in appreciation of his work. He has riveted Canada into the picture before the Empire and the world of tourists that visit Wembley.

Here is a cable to the Prime Minister from Sir Newton Moore, who is an ex-Prime Minister of one of the states in Australia:

London, April 30, 1924.

Rt. Hon. MACKENZIE KING,
Ottawa.

Canada's section exhibition reflects greatest credit all concerned Splendid advertisement Dominions wonderful resources and potentialities.

NEWTON MOORE.

I shall now read a letter from Mr. F. W. Hay, of Listowel, Ontario:

Listowel, Ont., May 6th, 1924.

Honorable JAS. A. ROBB,
House of Commons,
Ottawa, Ont.

Dear Mr. ROBB,—

We are just in to-day from London, England, and while there attended the opening of the Wembley exhibition, and went back a second time.

I am prompted to write you, only to express to you what we all felt in reference to our Canadian building—that it is altogether the best building on the grounds, and almost completed, and I feel those in charge of the work there, should receive a word of encouragement, and appreciation, first because of the beauty of the building, and then because of its practical completeness, when this cannot be said of any of the other buildings.

In Mr. Tolmie, who I understand is in charge, although I did not see him we have an excellent representative, and Mr. McKinnon, who is in touch with the exhibits has shown splendid organization to have everything so far advanced.

With kind personal regards,

Your faithfully,

F. W. HAY.

I now give a letter from Jenkins Brothers, Limited, manufacturers of London to the following effect:

13th May, 1924.

The Hon. J. A. ROBB,
Department of Trade and Commerce,
Government Building,
Ottawa, Canada.

Dear Sir,—As a Canadian manufacturer's representative and an exhibitor at the British Empire Exhibition, Wembley, London, I would like to call your attention to the very excellent work that has been done by the representatives of the Canadian government, Mr. A. W. Tolmie and Mr. J. S. McKinnon, and express to them through you my personal appreciation of their co-operation and help in our very small effort.

The Canadian building is in itself the most complete and artistic in the whole exhibition to my way of thinking, and this is the opinion that I have heard and read as expressed by the official as well as the private individuals who have seen the exhibition, and does Canada a vast amount of good, even at this early stage of the exhibition.

Mr. Tolmie and Mr. McKinnon have been extremely kind and considerate, as well as helpful to the exhibitors in getting their materials together, arranging their exhibits, and were always, not only helpful but cheerful and pleasant whenever approached, and I feel that they should have the thanks of the responsible members of the government as well as the manufacturers who are exhibiting at Wembley and who have not had the opportunity of personally observing the splendid work which they have done.

Yours faithfully,
Jenkins Bross, Ltd.

W. H. UTZ,
V. P. and Managing Director.

Next I shall quote a letter from the Winona Fruit Growers', Limited:

Winoma, Ont., June 16, 1924.

The Deputy Minister of
Immigration and Colonization,
Ottawa.

Sir,—Have just returned from a visit to England during which I, of course, went to Wembley.

This letter is written for the special purpose of expressing appreciation of the splendid exhibit made by your department, the fruit display in particular appealing to me very strongly. Whoever is responsible for it, Mr. Tolmie, I think, but am not sure, is to be congratulated.

Yours faithfully,

J. W. HEWITSON,
Manager, Winona Fruit Growers, Limited.

Next I shall quote a letter addressed to Mr. Tolmie himself:

London, May 21, 1924.

Canadian Government,
Exhibition Commission,
Canadian Pavilion,
Wembley Park.
Attention: Mr. Tolmie.

Dear Mr. TOLMIE,

I wonder if you would be kind enough to let me have a list of the exhibitors in the Canadian pavilion, if such a list is available.

Many of the companies are our clients in Canada and I would like to write them all a letter offering them the facilities of our office while they are in England.

This good weather should be helping things along at Wembley and I hear nothing but praise for the Canadian building. In fact, one prominent Scotch manufacturer whom I have been trying to interest in Canada for the last year or two came in to me the other day and asked for a plan for advertising his products in Canada. He said that he had just come from Wembley, had gone through the Canadian building, and had no idea that it was such a country as it was, and that he was sorry that he had not been in the market long ago.

Yours faithfully,

A. McKim Limited,
ALAN R. COLE,
London Manager.

Finally there is a letter from the Canadian Authors' Association expressing their appreciation of the work of the staff. I should like to say that while these letters convey a well deserved tribute of appreciation to Mr. Tolmie and Mr. McKinnon, the man who more than any other is responsible for the scenic effects and transparencies is Mr. Turcotte, who has been for many years attached to the Canadian Exhibition staff.

Mr. MEIGHEN: I have been from the beginning very strongly in favour of Canada taking part in the exhibition and also of her part being such that it would properly reflect the importance of the Dominion and the Empire, and I see no reason to criticise the success with which Canada's work has been done. I have not, of course, been able to visit it, but such reports as I have had, let me frankly say, reflect credit on the Dominion. I do not oppose any vote that is essential to the complete success of the undertaking. As respects the feature of the vote which covers a proposed official representation there by members of both Houses and the press, I take a different view from that of the government but not in any truculent way. I think the government would be well advised to withdraw that feature of their proposal. The Prime Minister has referred to a precedent when we sent to Chicago an official representation of two. He has referred, as well, to a representation of much larger dimensions that went to attend the Coronation of King Edward, and a similar representation that attended the coronation of the present king. These, if I understood him correctly, were all parliamentary representations.

I distinguish between functions of that kind and an exhibition—this exhibition, the Chicago exhibition, or any of a similar kind. The coronation of His Majesty was an event in a category by itself. The reason we were properly represented in such a fashion was to attest the fealty of the Dominion to the person of His Majesty. I think considerable reflection might have been made on Canada, and justly so, had we not sent such a representation of the parliament of Canada as attested the fealty of parliament to his person and his throne.

Of course the Chicago exhibition is a case in point. We were represented there. I would have no objection to similar representation here. In fact, I think it is quite right that a member of the government should be there, so that at functions he may speak as representing the Dominion, and I have not the least doubt that as soon as parliament prorogues, which will be as soon as anyone else can readily go, a member of the government—probably more than one—will go over and represent this country. But that is different from sending a delegation of from eight to twelve members of parliament to the exhibition in any special capacity. To do so would not in my judgment strengthen the confidence of the electors and taxpayers in the country in the good faith and fidelity of their representatives in this House. It seems to me that all that is requisite, in so far as parliament and the government are concerned, is representation which should fittingly be by a member of the government itself. There will be members of parliament there; doubtless many contemplate going. It is to be hoped that they do go, but I do not think there should be a group of others placed in any special position and sent at the expense of the treasury. That is the view I have held and the view I will have to support, and in all earnestness I suggest to the government that they themselves withdraw from the vote such amount as covers what they have in mind with reference to an extended parliamentary representation.

Miss MACPHAIL: I wish to associate myself with those who have opposed the principle of this vote of probably $20,000, to send a delegation of parliamentarians overseas. I believe it is true that the whips have

a good deal of extra work to do and we as members of parliament should appreciate that. I am sure we are all willing to do all we possibly can to discharge our obligation to these gentlemen, or at least to show them in some way our appreciation of their efforts in our behalf. But it would put those members of the opposition who went overseas in a most unhappy position once they returned home and that is a fact that cannot be denied by anyone. We can all imagine ourselves in the same position. I was quite amused by the folder which came to me in the mail to-day, headed "Canada, the New Homeland." If the word pictures of Canada which these gentlemen give when they go overseas are as beautiful as the pictures on this folder we should have a rush of immigration to our shores——such a rush that we would be entirely swamped by unemployment. It is quite an amusing thing. If it were not a tragedy it would be humorous. They give four methods of getting homesteads, but they do not say how you keep your homestead when you get it. I oppose this vote vigorously. I am against the whole principle of the thing. We need to do something to show our sympathy for the people of Canada who suffer, and that means most of the working people, whether on the farm or in the factory. They are the sufferers. They will bitterly resent such a thing as this. It is their money that is being used. What right have we to pay members for their services to us with the people's money? If the government want to take the responsibility of sending ministers over there, they are at liberty to do so. They believe in responsible government; then let them take the responsibility. I think it would be entirely foolish of parliament to become so subservient as to support this vote, and I personally will oppose it.

Mr. McBRIDE: I wish to dissociate myself from those who are opposed to this vote. I think it is a proper thing that we should show some appreciation of the services of these gentlemen who have done so much to conduct the affairs of parliament in this House and who have done it so satisfactorily. It is no easy task for any man. I think it is fit and proper that these men should be sent to the exhibition. We have heard a good deal of talk about the unemployed in this country. I noticed last fall that a large number of people in Winnipeg were looking for employment, while we in British Columbia were sending people out to the prairie provinces to harvest the grain. There is a certain class of people in this country who will never hold a job when they get one, and it is unfortunate they were ever allowed to land. The hon. member for Centre Winnipeg (Mr. Woodsworth) some time ago made reference to some man who had five jobs, and then was hauled up in court for stealing a gun, and the magistrate sympathized with him. If I had my way, in dealing with that type of character, I would give him six months at hard labour, and then send him home to the country from whence he came. He deserves no sympathy—a man who had an opportunity to make good on five occasions and failed to do so deserves no sympathy—I remember the time of the World's Fair at Seattle; the City Council of Vancouver went over in a body. Every member of the city council and many of their friends took the trip. We did not even go as ordinary passengers. We hired one of the liners that ran to Australia. When we were over there we kept the liner as our headquarters. We hired busses and went through the city and the exhibition grounds, and represented Vancouver in a proper way. I may say it had its effect, and Vancouver had more prosperous times after that than it has had for many years.

In regard to the immigration question, I hope the exhibition in London will have the desired effect of bringing immigration to this country. We want millions of immigrants in Canada, but we do not want the milk-fed type who expect the government to take care of them all the way through life. We have a certain number of immigrants who were no use in the country they left and less use in the country to which they came. I wish to associate myself with those who support this vote.

10 p.m.

Mr. MORRISON: As a western representative, I am very sorry to hear the pessimistic remarks of other members from the prairie provinces. I think I have as good a perspective of the whole situation as those dissenting representatives, and when the hon. member for Centre Winnipeg (Mr. Woodsworth) says there is so much unemployment in Canada which should be taken care of before we bring in any more immigrants, I do not think he is representing the viewpoint of the majority of Canada's best citizens. I know that in Winnipeg and other cities there are hundreds, and may be thousands, of men who do not want to work, but want something handed to them on a platter.

Mr. WOODSWORTH: May I ask whether the hon. member has read the official letters

which have gone out from several leading citizens of Canada in reference to the unemployment which they face at the present time? I refer particularly to Toronto and Winnipeg.

Mr. MORRISON: No, I have not read the articles which the hon. member for Centre Winnipeg refers to; but I will tell him what I think is another of the causes of so much unemployment. Many of those who employ these men cannot get them to earn the money they are asking. A lady keeping a boarding house told me not a month ago that she called a plumber in. He was not in the house more than fifteen minutes; he did not put any new material on the job, yet he charged her eight dollars. That is a sample of some of your unemployed men. They cannot get steady employment and they do not deserve it.

Mr. WOODSWORTH: Perhaps he was a lawyer, not a plumber.

Mr. MORRISON: He may have been a political agitator too. If the whips go over to the Old Country they can honestly make representations to thousands of people who will be glad to come to Canada and who will, in that way, improve their material conditions very much. With all the hardships we have in Canada—and I admit there are many—conditions are much better here than in the Old Land. We want to give those people an opportunity to come to Canada, and while I am well aware that a small percentage that come will not make good, I believe the great majority will make good. This country needs hundreds of thousands, aye, millions of men who are not afraid of hard work. We want men who will work more and talk less than some people we have in this country. I am going to vote for sending those delegates because I think this will be a good investment for the country and we shall get our money back a hundred fold.

Mr. BOYS: As I am more or less associated with this vote I think I should not remain in my seat without saying a word or two. If there is one thing I regret, it is that if the invitation were extended to me as a whip to go over to England, for certain reasons that I need not trouble the committee with, I would not be able to go. I would, nevertheless, appreciate the opportunity of going and enjoying the honour of representing Canada at that exhibition. When one reflects that Canada has invested a million dollars in this proposition and when we are told that other colonies in the Empire are sending delegates, it would be somewhat extraordinary if the largest and most important colony in the Empire had no delegation there whatever. I may be under a misapprehension as to the number that are going, but what information I have indicates that six are going, four from this House and possibly two from the Senate. I will support the appropriation heartily, and I regret that circumstances beyond my control will prevent my going if the invitation should ever come to me as whip of the party, because I would enjoy that very decided distinction on the part of my country.

Mr. CAMPBELL: The discussion has wandered entirely out of its proper channels. The discussion was on the question of immigration, and I am not convinced that this has anything to do with immigration at all.

The CHAIRMAN: The question is on the British Empire Exhibition.

Mr. CAMPBELL: The Prime Minister (Mr. Mackenzie King) cleared up at least one point, namely, that the visit was purely a social one. It is based entirely on tradition and precedent, and I would understand, when we are compared with the other colonies that this is just a matter of keeping up with the Jones's. If it were of particular interest as regards immigration, I would say that it would probably be right and proper to take a certain amount of the Immigration estimates for this purpose. I am not convinced of that however; I think our friends who propose to go over to England are going just to have a good time and, perhaps, incidentally to represent Canada. As to how they are going to represent Canada and what particular good they are going to do, I am just a little at sea. I tried to secure from the minister some time ago statements regarding the number of Canadian employees already in England, connected with the various departments, Immigration, Trade and Commerce, and the number of special men they propose to send over in connection with the exhibition. I did not secure that information and I would be obliged if the minister could give it to the committee now.

Mr. HUMPHREY: I have not lost confidence in our fellow Canadians nor in our fellow members of parliament. Whatever action a member of parliament would take on behalf of Canada at the British Empire Exhibition would be creditable to himself and to Canada. I cannot support for several reasons the amendment that has been moved. In the first place, no concrete reason that I can support has been given and I cannot follow the line of reasoning of those who support the amendment. In debating the amend-

ment they referred to the duties of different members going to the exhibition in connection with immigration. There are more factors in building up Canada than immigration and people do not come out from the Old Country only for the purpose of engaging in farming. I look on this vote for the British Empire Exhibition and upon the money that would be spent for individuals who might go to the exhibition as money well spent. We living in British Columbia are interested in other questions than that of immigrants coming here for the purpose of farming. The people of British Columbia, particularly the fruit growers, have gone to a great deal of expense, time and trouble to send exhibits to this exhibition. The fruit growers of British Columbia have prepared one of the most wonderful exhibits of fruit at that exhibition that any one would want to see. This is the advice that has come to me directly from those who are at the exhibition at the present time.

In British Columbia they have also preprepared a wonderful exhibit of minerals, and I hope hon. members on this side of the House will sometimes take into consideration that in Canada there are other factors than farming. I appreciate the position they take on behalf of farming and their farmer friends, but I feel that sometimes they lose sight of the fact that in Canada we have many conditions outside of farming, although I will admit that it is one of our greatest assets. We all want to promote in Canada every asset we have and in British Columbia two of our greatest are minerals and fruit growing. At this exhibition, they have done themselves proud in preparing these exhibits with the co-operation of the provincial and Dominion governments. I feel that the procedure taken by the present government in departing from the custom that has been followed in the past is a good one, by appointing certain representative members of the House of Commons, members of the Senate and members of the press gallery so that when they visit this exhibition they will be able to interchange views and accomplish a great deal of good in that way.

In British Columbia we have many undeveloped mineral resources, and at the present time every effort is being made to endeavour to get our Old Country friends to invest money in our mineral resources. With the mineral display on exhibition in England and with the different representatives visiting the exhibition on behalf of Canada, I believe a great deal will be accomplished towards promoting an interest in Canada's natural resources. For these reasons I cannot support the amendment moved by the hon. member for Bow River (Mr. Garland).

Mr. SPENCER: Can the minister give an answer to the question asked by the hon. member for Mackenzie (Mr. Campbell) as to the number of employees from the various departments? Also, can he give the number of the provincial representatives whose expenses are being paid by the Dominion?

Mr. ROBB: I have already stated—I do not think my hon. friend was in the House at the time—that we told the provinces they might send official representatives and deduct the expenses from their contributions to the federal treasury on account of the exhibition

Mr. SPENCER: That is practically the same thing. But could the minister answer the other question put to him by the member for Mackenzie (Mr. Campbell)?

Mr. ROBB: My recollection is that that question was placed on the order paper some days ago. It has to go through the Secretary of State, and I do not carry the information in my head.

Mr. SPENCER: How many members do the government suggest should be sent, and from what groups will they be selected?

Mr. ROBB: I stated a few minutes ago that the number would not exceed seven, including representatives from the Senate. The different groups in the House will be represented.

Mr. SUTHERLAND: Mr. Chairman, I hope that the item before the committee will satisfy the people of this country, and I think the government would have been recreant in their duty had they not seen that Canada was well represented at the Wembley exhibition. I do not know of any better opportunity to advertise Canada than this exhibition presents, and I am glad to know that the Canadian building is a very creditable contribution.

But I am sorry that I cannot commend the other feature. I have no doubt whatever that many members of this House will visit the exhibition during the summer, and I do not think it is fair to those who go over at their own expense that they should find there a more distinguished band of fellow members, as impliedly they could be placed in an inferior position by not having been included in this band of official representatives of the Commons. This, I think, is possibly the most objectionable part of the proposal. I thought

that when a few years ago we abolished titles we had become very democratic indeed, but I am afraid that a distinction will be drawn between those members who go over at their own expense and those who attend nominally as the representatives of parliament—a distinction that is not at all desirable. The members of this House who belong to the British Empire Parliamentary League will meet with a very cordial reception from the other members of the league in London, but I have been picturing in my mind the position in which our members will be placed who are not nominated as the representatives of parliament to attend the exhibition. The Prime Minister has intimated that a good deal will be expected of these official representatives on their arrival in England. Well, it may be so. But I have no doubt that the government will follow their usual practice and that most of them will visit the Old Country immediately after prorogation. They are the people whom we expect to represent Canada rather than the parliamentary delegates. Personally I do not see the slightest reason for a selection of this kind, for it will discriminate very severely against those members who visit the exhibition at their own expense. At this particular time it is not wise for us to encourage any expenditures that can possibly be avoided, and I think it is the duty of this government, perhaps as it never was the duty of a government before, to practise the most rigid economy. I objected the other night to an "exhibit" being sent over there—one of the most widely known men in the Dominion—but my hon. friends at the other end of the chamber took exception to my motion to reduce the item by $4,000. I might refer to some other "exhibits" sent over to Great Britain. Certainly I would be sorry to think that our whips, genial, affable and well-liked by everybody in this House, should go across as "exhibits," considering some of the "exhibits" we have already sent across and whose expenses we are still paying. I would hesitate to vote against any item for this exhibition, but I am absolutely opposed to a grant for the purpose of sending over selected members of this House on the mission stated. Many people in this country are to-day bringing pressure to bear on the government on the plea that they are not receiving a living wage—I do not know whether they are right or not—but when they learn that members of the House of Commons are being sent over on an expedition of this kind at the country's expense, I do not think it is likely to increase their respect for our system of government. If the government wish to send a parliamentary delegation, why do they not introduce in the estimates a separate item for the purpose and accept responsibility for it?

Mr. SHAW: I have not had the advantage of hearing all the discussion, but I have been apprised of the purpose for which the vote is proposed. I think in order to consider the matter in its proper perspective we must first of all realize that we stand here as the trustees, the custodians of the monies raised from the people of Canada, monies raised for the purposes of national government, and I think it is highly improper, indeed highly immoral, for parliament to use money so entrusted to its care for the purpose of spending it in the manner indicated. Consequently I oppose the expenditure as a matter of principle. In these latter days we hear a good deal about the "honour and dignity" of parliament. I am quite satisfied that we are not enhancing either the honour or the dignity of parliament by using these trust funds to give a pleasant month or so to a few members of this House, however desirable that may be to them personally. Therefore, Mr. Chairman, I have no hesitation whatever in saying that I believe parliament would be recreant to its trust should it for a single moment countenance this expenditure.

Mr. COOTE: Mr. Chairman, I have listened to practically all the debate on this item, but I am not sure yet just what is the necessity for sending the proposed delegation to the Wembley exhibition, and I think the government is making a mistake in bringing the proposal forward. I understood from the speech of the Prime Minister that he thought we should reward the whips by giving them this trip. While I feel the House is often indebted to the whips, yet I think the proper way for the House to reward their services, if some reward is to be given them, would be to increase their salaries. The people of Canada—that is, those of them who give any thought to this matter—will say that this House is spending money in an improper manner in sending certain of its members on this enjoyable trip. I would like the minister to state to the committee a definite amount that will not be exceeded should these delegates be sent to England. Then, how will members who do not belong to some of the parties mentioned by the minister have a chance of being represented? I take it from the speech of the hon. member for Weyburn (Mr. Morrison) that these members are being sent over as immigration agents. When he said we needed millions of men brought into this country I could not help thinking how inadequate this estimate was, when we know that from a grant of $200,000 made to the Canada Colonization Association we secured the large number of 35 settlers.

Mr. ROBB: That answer was subsequently corrected.

Mr. COOTE: I have not the corrected answer.

Mr. ROBB: It is on Hansard.

Mr. COOTE: It has been suggested by some hon. member that the press men are to have a representative sent over. Is that correct?

Mr. ROBB: Yes.

Mr. COOTE: Can the minister justify the sending of a representative of the press gallery to this exhibition at the expense of the people?

Mr. ROBB: Yes, I surely can. I should think there would be no cheaper method of getting advertisements for our country than through the press; in fact, it is almost the only way you can get it. The press helped to make my hon. friend; surely he does not object to the press doing a little advertising for Canada?

Mr. COOTE: No, but I expect the minister to give us some better justification than that for spending the money of the people to send a representative of the press gallery to the exhibition at Wembley.

Mr. ROBB: We expect to get returns for our investment.

Mr. GARDINER: The minister has not yet answered the question, put on several occasions, as to how many groups in this House were going to be represented—how many from the Liberal party, how many from the Conservative party, how many from the Progressive party—and whether labour was to be represented.

Mr. ROBB: I will be frank with my hon. friend. We started out on the assumption that there were three recognized groups in this House. I think the representatives will be decided on the same basis as that on which the committees of the House are decided.

Mr. GARLAND (Bow River): There are four groups.

Mr. GARDINER: Is the Labour group not recognized in this House or in this country?

Mr. ROBB: Yes, there is no objection to recognizing the Labour group, but if we follow the rule that prevails in the appointment of committees I am not sure that the members of the Labour group are sufficient to bring them in under the quota.

[Mr. Coote.]

Mr. GARDINER: Then are the labouring classes of this country not to have a representative from this House?

Mr. ROBB: I did not say so. I said that the Labour group were not sufficient in numbers to enable them to be included in the quota on the basis of the nomination of committees. There is no reason why they should not be recognized.

Mr. SPENCER: What is the quota?

Mr. ROBB: My hon. friend can figure that out for himself. He knows the basis on which the committees are appointed.

Mr. IRVINE: Seeing that the Labour group has been brought so prominently into this discussion, let me say this: I understaand that the grant under consideration is to go toward sending the whips of parliament over to the Wembley exhibition. As the Labour whip I want to say right now that I will not go, because I am opposed to the principle of taking a trip like that at the expense of the public.

Mr. GUTHRIE: I do not want to give a silent vote on this proposal. I am opposed to sending whips or any other body of members of this House to this exhibition at the expense of the country. This is a year in which I think we can hardly justify any expenditure for that purpose. One has only to look at the estimates, at pages 60 and 61, to see how necessary it is that we conserve our resources. We have found it necessary this year to reduce our annual vote to the Canadian National Institute for the Blind from $20,000 to $10,000. If we must reduce that vote for the blind I certainly would not feel justified in voting $5,000, $10,000 or $15,000 for this little trip. I find on the same page that we have had to reduce our vote this year in the interests of economy from $20,000 to $15,000 as a grant to the Canadian Tuberculosis Association. If we have to pare down that vote by $5,000 this year in the interests of economy, I would not feel justified in spending $5,000 for the expenses of this trip. So with the vote on page 60, Canadian National Safety League, a vote the application of which is familiar to every member of the House. That is reduced this year from $25,000 to $10,000 in the interests of economy. With such a statement as that in the estimates laid before parliament by the government, I think the government should reconsider this matter and follow the suggestion of my right hon. friend and leader that the proposal be withdrawn.

Mr. COOTE: I will ask the minister once more to tell us whether or not he will limit the amount which may be expended for this purpose. I understand he places no limit on the expenditure; it may go to $50,000 or $100,000 if he cares to have it go that far.

Mr. ROBB: That is nonsense. I have said two or three times that there would not be more than seven.

Mr. COOTE: The minister has not yet stated any amount that would not be exceeded.

The CHAIRMAN: The question is on the amendment.

Mr. COOTE: Surely we are entitled to get an answer.

The CHAIRMAN: The minister contends that he has answered the question already. He is not required to answer it a second time.

Mr. GARDINER: I have been in the House while this discussion has been in progress and I have never yet heard the minister state the total amount that will be spent. That is a very proper question when an item is under consideration, and I trust the Chairman will see to it that members are given an opportunity to get answers to their questions when money items of this kind are going through.

Mr. ROBB: I do not want to be discourteous to my hon. friend, but he must have been out. I have already stated twice that the cost was estimated at from $11,000, and not to exceed $20,000. But if the number is limited to only seven, it will be less than even the $11,000.

Mr. SUTHERLAND: The hon. member (Mr. Coote) has had no answer to a question he put with reference to others who were to be sent over besides members.

Mr. ROBB: The press.

Mr. SUTHERLAND: Are any others represented except members of the House and the press.

Mr. ROBB: Yes, the Women's Council of Canada have a representative there now.

Mr. SUTHERLAND: Would it not be just as well to be frank and to give the committee all the information without our being compelled to extract it in this way?

Mr. ROBB: So far we have only been discussing the representatives of parliament.

Mr. MEIGHEN: How is the minister going to restrict them to seven if it includes the press and representatives of the various parties?

Mr. ROBB: The seven were the members of parliament under consideration.

Mr. MEIGHEN: Oh, and then the press besides? That makes a difference in the minister's estimate. The point is this: Here is an estimate for $300,000. If this estimate were for $20,000 the House would know that amount could not be exceeded, but when the minister merely says, I estimate it will be from $13,000 to $20,000, that is no undertaking on the part of the minister, much less to this House, that the $20,000 will not be exceeded. Would the minister give that undertaking? I am only saying this to emphasize that the member for Macleod is quite within his rights in asking the minister to say yes or no.

Mr. ROBB: I will tell my hon. friend the estimates we have. It will cost $400 for return fare. We will give them $20 a day for forty days, or $800; that makes $1,200, and seven times that makes $8,400.

Mr. MEIGHEN: But what about the press besides? How many of them are going?

Mr. ROBB: I think there are five members of the press going.

Mr. MEIGHEN: Who selects the press? Does the government select the press men of all shades?

Mr. ROBB: I really did not inquire into the politics of the man sent from eastern Canada. He is the president of the Newspaper Publicity Association of the Maritime provinces.

Mr. MEIGHEN: Who is he?

Mr. ROBB: I do not recall his name, but that is his position. There was also a man sent from western Canada, from Vancouver.

Mr. MEIGHEN: Who is he?

Mr. ROBB: Mr. Hodge, the editor of one of the papers there. We propose sending three men from the press gallery.

Mr. MEIGHEN: I do not know either of the first two, and the minister does not know one of them himself. Who are these other three in the press gallery?

Mr. ROBB: We propose to send Mr. Mears, Mr. Fraser, and Mr. Fortier.

Mr. MEIGHEN: The government selects all these?

Mr. ROBB: We have sounded out some other gentlemen who were unable to go, some very prominent, true and loyal friends of my right hon. friend.

Mr. MEIGHEN: That would not hurt.

Mr. DOUCET: I did not intend to say anything on this question, but when I hear that the press is to be represented by five members, apart from the seven members of parliament, and when I take into consideration the fact that when the suggestion was made to the government that a representative of our Canadian National Railways, representing the Atlantic section, should be present at the exhibition, and that only two representatives of the railway were chosen, and those two representing other sections of the railway, I contend that we are possibly not doing justice and acting fairly to all parts of this Dominion. I intend to vote for the amendment. I do not think we should spend this amount of money in view of the financial condition of the country. Furthermore, I do not see how this government can select five members of the press and seven members of parliament to visit the exhibition, when they cannot select a representative of the Canadian National Railways representing the Atlantic section.

Mr. GARDINER: The more we discuss this item, the more information we get. It would seem the committee would be justified in asking the minister to give the various items that go to make up this estimate, so that the committee will know exactly what it is voting for. I would ask him to give the House all the items contained in this one vote.

Mr. EULER: Mr. Chairman, I rise for only one purpose. I am not opposed to the vote. I am only sorry the House cannot be unanimous with regard to it. If we are to send representatives, I think the basis upon which the representation is to go is quite proper.

Some question has been raised with regard to representation from the members of the Labour party in this House, as they call themselves, consisting of two members. For my part, if the whips from the other parties are sent overseas, I would be quite prepared to send a member of the Labour group, but I do resent, and this is the purpose for which I rise, that the hon. member for Medicine Hat (Mr. Gardiner) should intimate that if no member from the so-called Labour party in this House is sent, the working people of this country will not be represented. I would say this: In every case where a member of this House, and I think it includes them all, has among his constituents working people, he represents that class whichever one of the various parties he belongs to, and I resent any such significance being given to the representation that is being sent over to the British Empire Exhibition.

Mr. ROBB: The estimated balance of expenditure on the British Empire Exhibition for the fiscal year, 1924-25, is as follows:

Balance interior finish, including sheeting, painting, showcases, plumbing, water, drainage, emergency fire apparatus and heating..	$20,000
Estimated consumption electric current.. ..	15,000
Balance installation of exhibits and grain decorations..	20,000
Return freight on exhibits..	25,000
Balance cost of collecting and preparing exhibits..	5,000
Upkeep of grounds outside building and decorative plants inside..	4,000
Consumption water and gas..	9,000
Signs and bulletins..	8,000
Salaries and expenses, staff (permanent).. ..	50,000
Twelve temporary employees for information bureau for six months, based on $10 per day..	22,000
Guards, attendants and cleaners for six months..	25,000
Literature..	50,000
Advertising..	15,000
Art exhibit..	12,000
Unforeseen expenses..	20,000
	$300,000

Mr. BEAUBIEN: Did I understand the minister to say it would cost $8,000 to send seven members of parliament over?

Mr. ROBB: No, $8,400.

Mr. BEAUBIEN: Then I would ask this question: Have we not spent about $12,000 or $15,000 talking about this thing?

Mr. FORKE: I want to say just a few words before this debate closes. I had and have no intention in anything I may say of embarrassing any member in this part of the House for quite properly taking an independent view of this matter. I wish first to concur in what the hon. member for North Waterloo (Mr. Euler) has said that labour would be represented by almost any member of this House. I have no hesitation in saying that I represent labour in the constituency of Brandon perhaps just as adequately as the hon. member for Centre Winnipeg (Mr. Woodsworth) represents it in that constituency.

Mr. GAUVREAU: Three times better.

Mr. FORKE: To digress for a moment, I think perhaps one of the great battles of the future will be between highly organized

labour and another standard of labour in which agriculture is included.

On the question of immigration, I do not intend to enter into any debate to-night; it is readily recognized that there is a fundamental difference of opinion in regard to this matter. I only wish to repeat that the solution of a great many of our problems depends upon having a great many more people come into Canada and help bear our burdens. It would be better for those who come and for those who are here.

I must confess, Mr. Chairman, that this discussion has taken a little different aspect from what I expected when first this question was mooted. I understood at that time that the representation would be from all three parties in the House, and if necessary, include some other gentlemen who think they are entitled to representation. But it seems to me from what I have gathered that one of the large groups in this House is unanimously opposed to this vote. Well, practically unanimous; the only member who has spoken has made the statement that he could not go.

Mr. BOYS: I said I was in favour of it just the same and I meant it.

Mr. FORKE: I think, perhaps, there is a reason.

Mr. BOYS: I do not know what my hon. friend means by that. I should like him to explain what he means; that is a reflection.

Mr. FORKE: I can assure my hon. friend that I do not mean it as a reflection.

Mr. BOYS: I am glad to hear that.

Mr. FORKE: There seems to have been some misunderstanding about this question; the hon. member will admit that fact anyway. When this question was mooted I understood —and I understood also the information came from the hon. member—that it was likely his party would be represented in this group. Am I wrong?

Mr. BOYS: I would not have thought that the leader of a great party would be disposed to pass on what his own whip may have said to him when I had a private conversation with that whip. It is a fact—I will be frank about it—that there was some discussion as to what the attitude of this party might be, and I intimated there would be some opposition. I did not know for certain what its attitude would be. My own course has been consistent from beginning to end.

Mr. FORKE: I have no reflection to cast upon the hon. member; I did not mean to do so anyway. It does seem to me however, that the matter assumes a different aspect when one of the parties in this House is not likely to be in that group. I may be wrong but I do not look upon this as a question of principle, it is a matter of expediency. Is it a wise thing, is it the right thing, that Canada should be represented at the Imperial exhibition? I do not think that Canada has descended so low yet that she is not in a position to send delegates that will uphold the dignity and honour of this country in connection with the exhibition. On the other hand it does seem to me that some little difference is made when we have not the unanimous or the nearly unanimous support of the House. I would not care whether there was a minority, but when we find that one of the large groups in this House is utterly opposed to the proposition I think it requires some reconsideration. While sitting in my chair I have changed my mind several times.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: It is clearly evident why I should do so in this case because, as I said before it is not a question of principle it is a matter of expediency. Is it expedient, is it the right thing to do in order that this country may be well advertised and properly represented. There is no principle at stake; I do not look at it in that way at all. But if there is strong opposition, if in this matter parliament does not express the voice of the people as a whole. I think we ought to reconsider the matter. That is the position I take, and I feel inclined to vote for the amendment at the present time.

Amendment Mr. Garland (Bow River) negatived: Yeas 48, Nays 86.

The CHAIRMAN: I declare the amendment lost and the vote carried.

Mr. MEIGHEN: If the amendment is declared lost the question is now on the main motion. Does the minister expect that this money will take care of all Canada's liabilities in respect of the exhibition, and if so what will the whole exhibition cost the Dominion?

Mr. ROBB. I rather think we will have to have a small supplementary vote. My right hon. friend will notice that in the figures I gave a few moments ago there was mention of $50,000 for literature and I think we will require a further sum for that purpose. I think I shall be able to tell my right hon. friend this week what the amount will be. We may require another $100,000 to $150,000 but a great part of this will be for literature, pamphlets, maps and so on. I suppose the total cost will amount in round figures to $1,000,000.

Mr. MEIGHEN: Was the first vote last year?

Mr. ROBB: Yes.

Mr. MEIGHEN: How much has been spent?

Mr. ROBB: The sum of $649,859.09 has been spent. It is pretty close up.

Mr. MEIGHEN: The supplementary estimate will be approximately $50,000 then?

Mr. ROBB: Probably $100,000, although it may be $150,000. I told my right hon. friend there was some of it charged; we are paying advertising out of part of it. That is the $50,000 already announced for literature.

Mr. MEIGHEN: Then the cost will be $1,100,000 altogether?

Mr. ROBB: I said one million in round figures. It will be $1,100,000 or $1,150,000 but we expect to get part of that back from the provinces.

Mr. MEIGHEN: I was just going to ask about that.

Mr. GARLAND (Bow River): How many of the permanent employees of the Civil Service of Canada are on duty at the Wembley exhibition and paid by the Dominion?

Mr. ROBB: I think there are eleven of the permanent staff of the Department of Immigration and Colonization.

Mr. GARLAND: (Bow River): Outside of that the minister does not care to give any information?

Mr. ROBB: In addition to that I think there are nine or ten men and one officer of the Royal Canadian Mounted Police who are over there as a guard. They are guarding the building and the exhibits.

Mr. GARLAND: (Bow River): What is it estimated their salaries will amount to during the period of the exhibition?

Mr. ROBB: I think I answered that question a moment ago.

Mr. GARLAND (Bow River): No, I do not think so.

Mr. ROBB: The deputy tells me there was a question of that nature put on the order paper and it is on the way through; it has not come across yet. At any rate I gave my hon. friend an estimate a moment ago of the wages involved in this vote. Yes, $91,813.54 is the expenditure that we have for the fiscal year 1923-24.

[Mr. Robb.]

Mr. MEIGHEN: What are the minister's hopes of getting some money from the provinces based on, and what is the division between the provinces? Has the minister received anything yet, and if so from whom?

Mr. ROBB: There was a very fair understanding at one time that the provinces would contribute. Later on they met in Quebec city and stood out for, or thought they should have, their own provincial exhibit. They took the ground that unless they got their own provincial exhibit they would not exhibit and would not contribute. We went on and gathered the exhibit. Later on there seemed to be a modified view of that; but I will be frank and say to my hon. friend that while some of the smaller provinces by population have intimated a willingness to contribute, some of the larger provinces have not given us that hope. I think my hon. friend will agree with me, that it would not be fair to call upon the smaller provinces unless at least those provinces that will benefit most by it and are the largest exhibitors contribute their share. That will be a matter for adjustment afterwards.

Mr. MEIGHEN: What are the larger provinces who are behind in supplying the hope?

Mr. ROBB: The provinces of Ontario and Quebec.

Mr. MEIGHEN: Most of the larger provinces. I think the minister may just about as well let that mirage disappear. He will never get anything from the other provinces unless Ontario and Quebec come forward.

Mr. ROBB: It would be hardly fair to ask them.

Mr. MEIGHEN: We may count that we are paying the whole shot.

Item agreed to.

Buildings at St. John, N.B., $22,000.

Mr. MEIGHEN: What buildings are these?

Mr. ROBB: An arrangement has been made with the Canadian Pacific Railway Company by which the department is to bear half the cost of constructing and maintaining the following buildings for the proper handling of immigrants arriving at the port of St. John:

	Cost to Department
Baggage	$88,048 28
Detention quarters	58,748 68
Waiting room	20,419 11
Total	$164,216 07

The total cost to the department, extras already totally paid by the department, is reduced by $5,748.68, which makes the item $58,439.38. This is payable over a period of ten years. The cost this year is $22,000 and the whole thing has to be paid in ten years.

Mr. GARLAND (Bow River): Can the minister give us some explanation of the occurrences recently at Halifax in regard to the deportation of Italians? Some large number were found unsatisfactory for some reason.

The CHAIRMAN: That does not come under this vote.

Mr. GARLAND (Bow River): It is in connection with Halifax.

The CHAIRMAN: This is St. John.

Mr. ROBB: I will answer the question. These immigrants were brought unauthorized to Canada. We were advised by the authorities before they arrived that their papers had not been properly viséd. They were not deported, but the steamship companies that brought them over returned them—at least they were supposed to go back with them.

Mr. GARLAND (Bow River): Were representations made by the Italian government to the Canadian government asking that these men be returned, or was there any complaint? What are the facts?

Mr. ROBB: The British ambassador advised us of the irregularity of these sailings, and visés were secured by misrepresentation. I think it was represented to us that they were going to farms and that they had positions.

Mr. LEWIS: Were they physically fit otherwise?

Mr. ROBB: We admitted some 400 of the previous lot that were examined, but when we discovered that an attempt was made by the steamship companies to make false representations as to immigrants getting into Canada we simply said, "You cannot land these people here." We had been advised in the matter, and the steamship companies were supposed to take them back.

Mr. LEWIS: It seems to me that these visés should be attended to at the other end before they start.

Mr. ROBB: Probably the hon. member is right; but the government does not allow Canada to have a representative in that country.

Mr. HOEY: How many were there?

Mr. LEWIS: If we are anxious to get people into this country a few episodes like this will do a great deal of harm to immigration to Canada.

Mr. ROBB: In answer to the hon. member for Springfield, (Mr. Hoey)
11 p.m. there were 240.

Mr. SPENCER: Were these immigrants turned back simply because they came here ostensibly to go into one employment and wanted to go into another? Were they physically fit?

Mr. ROBB: We admitted 75 who were physically fit, and the others were returned.

Item agreed to.

Relief of distressed Canadians, $6,000.

Mr. LEWIS: Will the minister explain what is meant by distressed Canadians? The amount seems very small.

Mr. ROBB: The different Canadian immigration agents throughout the world are occasionally called upon to help out a person who claims to be a distressed Canadian. The facts come to us chiefly through the office of the High Commissioner at London, England. The total payment last year amounted to $5,815.12.

Mr. SUTHERLAND: The Auditor General's statement for the year ending March 31, shows there was $11,881.50 paid for the relief of distressed Canadians.

Mr. ROBB: I think my hon. friend has the reference for the year before. The amount expended for the year 1922-23 was $10,975.74. My hon. friend has the Auditor General's report. I may say that, getting away from the period of the war, the amount for 1923-24 was $5,815,12.

Mr. SUTHERLAND: At the head of the list there is an item of $1,109.95, house rent, London, England, W. T. R. Preston, vote 480. Is that a type of distressed Canadians referred to?

Mr. ROBB: Is that charged in this vote?

Mr. SUTHERLAND: It is on the same page of the estimates.

Mr. ROBB: Let my hon. friend come out in the open and say whether it is charged in this vote.

Mr. SUTHERLAND: I am asking the minister what this item is for.

The CHAIRMAN: It is not in this vote. The question is out of order.

Mr. GARLAND (Bow River): Just a minute ago the minister informed the committee that a certain sum around fifteen or nineteen thousand dollars was included in this vote for salaries. We now find that there is a vote for exhibitions, salaries and contingencies, $140,000. On further examination the minister stated that the total for salaries was $91,800. An explanation would, perhaps be in order.

Mr. ROBB: My hon. friend must realize that the British Empire Exhibition is a separate account. There will be charged up to it the permanent staff, a vast number of char women who are engaged all the time in keeping the building in proper shape, and labourers, some of whom are engaged for a few hours. The hon. member has overlooked that feature.

Mr. GARLAND (Bow River): What is the total of the salary bill?

Mr. ROBB: I will give the details:

A. W. Tolmie, Exhibition Commissioner.. ..	$4,320
A. W. Despard, Chief of Agricultural and Exhibit Division..	3,240
W. D. Dalglish, Chief of Mineral Division..	3,240
J. O. Turcotte, Chief of Designing and Decorating Division..	3,240

Mr. Turcotte is one of the most valuable men in that class of work. In recent years the great success of Canada's exhibits has been largely due to Mr. Turcotte. who is in this work a specialist in a class all by himself.

A. Pereira, Assistant to Chief of Designing and Decorating Division..	$2,340
P. A. Corkery, Fruit Exhibit Specialist, (Transferred from Civil government salaries)	2,040
R. G. Brown, Exhibit Decorator..	1,365
Miss. E. M. Livingston, Clerk Stenographer..	1,140
O. Joubarne, Caretaker..	1,080
Total..	$22,005

Item agreed to.

Exhibitions—salaries and contingencies, $140,000.

Mr. SUTHERLAND: Is any of this amount for exhibitions in the United States?

Mr. ROBB: Yes.

Mr. SUTHERLAND: What amount is being expended for this purpose in different countries?

Mr. ROBB: Exhibitions at state and county fairs in the United States, $50,000, and permanent exhibits in the United States, $5,000.

Mr. SPENCER: What comes under contingencies?

[Mr. E. J. Garland.]

Mr. ROBB: Collection of exhibits, materials for same, certain wage expenses, freight, express and so forth. Some of the exhibits might be destroyed.

Mr. SUTHERLAND: What amount was spent in the United States last year?

Mr. ROBB: I have not the details. I will get them and send them to my hon. friend if he is interested.

Mr. GARLAND (Bow River): What other exhibitions did the department send representatives to and have expenses in connection with last year?

Mr. ROBB: We spent $926.10 on an exhibit at Paris at the conclusion of the French train that was run under the Department of Trade and Commerce.

Mr. GARLAND (Bow River): Is that the only additional exhibition that was attended by representatives of the government last year? Was there none in the United States, for example?

Mr. ROBB: We have exhibits in other countries as well as in the United States. We have exhibits at many fairs in Scotland, Ireland and England. We have some exhibits on the continent. We have exhibits on the little boats that go through Holland. We had some in Belgium last year.

Mr. ANDERSON: Is any of this money to be spent for exhibitions in this country?

Mr. ROBB: No.

Mr. CALDWELL: I take it that these exhibits are all for the purpose of inducing people to come into Canada. The department is exhibiting the resources of Canada in countries from which immigration is expected?

Mr. ROBB: Yes, and they are advertising Canada's resources.

Mr. GARLAND (Bow River): The minister has mentioned Holland and Belgium. He has not mentioned the United States at all. I think the United States is by far the best country for Canada to seek her immigrants in. We get perfectly acclimatized people, suitable for Canada, from the United States.

Mr. ROBB: I will give my hon. friend the names of the states that we have been operating in. We have had exhibits, some small and others larger, in these different states, at the various stock shows and other fairs wherever there is a large gathering of

people: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming. We have agencies in: Kansas City, Mo.; Harrisburg, Pa.; Columbus, Ohio; Indianapolis, Ind.; St. Paul, Minn.; Fargo, N.D.; Milwaukee, Wis.; Omaha, Neb.; Syracuse, N.Y.; Spokane, Washington; Des Moines, Iowa; Chicago, Illinois; Detroit, Michigan; Boston, Massachusetts; Great Falls, Montana; Watertown, South Dakota; Manchester, New Hampshire; San Francisco, California.

Mr. COOTE: Do these executive officers come under this vote?

Mr. ROBB: They have charge of the exhibits.

Mr. COOTE: What class of people does the minister expect to attract to Canada as a result of these exhibits?

Mr. ROBB: These minor exhibits are largely agricultural, and perhaps some person who desires to buy seed wheat or seed oats or something else which Canada has to offer becomes a purchaser by reason of seeing the exhibits. They serve a double purpose, being of advantage in securing immigration, and an advantage in advertising our products.

Mr. COOTE: As a matter of policy, does the minister think that the farmers of Canada are not at present producing plenty of agricultural produce? And what benefit is it going to be to them if they produce ten or twenty per cent more, or whatever increased production may result from the bringing in of new immigrants and placing them on the land? Last year the farmers of Canada produced 70,000,000 bushels more wheat than in the previous year, but it brought them $25,000,000 less.

Mr. ROBB: My hon. friend cannot prove that because the wheat is not all sold yet.

Mr. COOTE: I should have stated that that is an estimate prepared by the officers of this government. If the minister will explain to us just in what way this expenditure is going to benefit our farmers I should appreciate the information. It seems to me that the farmer has always been singled out so far as our immigration policy is concerned as the one class of the community that should have some more competition. We have for years spent money to bring in more farmers, but many leading men in the United States to-day are on record as stating that overproduction is the principal cause of the farmers' financial distress. If the minister disagrees with that opinion, would he give the House some reason why the farmers who are now in Canada will be benefited by bringing in more immigrants and placing them on the land?

Mr. ROBB: That is all a matter of opinion and we discussed it fully last session. At that time we heard hon. gentlemen opposite decrying their own provinces to such an extent that their premier came down and apologized for them and asked us not to pay too much attention to them.

Mr. GARLAND (Bow River): Mr. Chairman—

Mr. ROBB: But that is only a side issue. In answer to my hon. friend from Macleod (Mr. Coote) as to the price of wheat being affected by increased production, I can recall buying No. I Northern Manitoba wheat at 67 cents a bushel, delivered Goderich, at a time when the northwest country was producing less than 75,000,000 bushels, while last year it produced over 400,000,000 bushels of wheat. I speak subject to correction, but I do not think any of that huge crop ever moved much below a dollar at Fort William. While I do not offer any opinion—if a man were sure of his opinions he could get rich quick—yet I may remind my hon. friend that within the last few weeks wheat has advanced from 14 to 16 cents a bushel.

Mr. GARLAND (Bow River): Yes, when it is all out of our hands.

Mr. ROBB: No.

Mr. GARLAND (Bow River): Will the minister state the province and the premier?

Mr. ROBB: That is disposed of.

Mr. GARLAND (Bow River): May we have an answer? Mr. Chairman, if the minister is not going to answer that—I am not quite sure whether he was referring to any members in this corner of the House—I want to tell him quite distinctly that last session I heard no members decry any portion of Canada.

Mr. ROBB: Hansard is full of it.

Mr. GARLAND (Bow River): They decried conditions in this country, and they will continue to do so until those conditions

are remedied. We have artificial barriers and restrictions against the farmer and the worker in Canada, and we will continue to decry such conditions until they are changed.

Mr. SUTHERLAND: I am wondering if the minister is going to reduce the amount which his department usually spends in the United States, in view of the fact that it is not immigration from, but emigration to, the United States that has been taking place? Surely a great deal of this money has been wasted. With regard to the grain growers, I recall reading in a New York newspaper a short time ago an article which pointed out the advantage accruing to the United States by the exchange of certain of their citizens for Canadians. It stated that that country had got a good deal the best of the bargain in that the great problem of the United States was to reduce their wheat production, and they got rid of many of what were known as "wheat miners," people who would not adapt themselves to diversified farming and had obtained in exchange a class of citizens from Canada who adapted themselves to conditions in the United States much better than those who had left. The United States have signified their intention of discouraging commerce with this country by raising a tariff barrier which is almost insurmountable. In view of this fact and the further fact that our people are going there in large numbers, and have been for a long time, I think this expenditure should be cut down to the very smallest possible proportions.

Mr. McBRIDE: I should just like to correct a statement in connection with our people going to the United States. On the Pacific coast over nine thousand people have come back from the United States into British Columbia this season. Indeed, there is a steady flow into British Columbia at present and those people seem glad to come back to Canada.

Mr. CAMPBELL: I think the minister should answer the question asked by the member for Bow River (Mr. Garland). Surely in all fairness he should give the name of the premier who, he said, came to Ottawa and apologized for those federal representatives of his province who had decried it in this House.

Mr. McBRIDE: Mr. Chairman, I may say that I had to apologize with respect to remarks made in this House by some Progressive member last session.

[Mr. E. J. Garland.]

Mr. COOTE: Has the minister had any manufacturers ask him to use his immigration officers in an endeavour to get more manufacturers to locate in Canada to produce more manufactured products and so compete with them?

Mr. ROBB: They would go to the Department of Trade and Commerce.

Mr. COOTE: Mr. Chairman, if we are going to spend taxes to bring in more farmers, I do not see why in all fairness we should not spend a little money to bring in more manufacturers. Possibly we could bring some from England who are used to manufacturing without the protection of a tariff as high as 30 or 35 per cent. I think it is only fair to the people I represent that I should ask the minister whether he is limiting his exertions to bringing in farmers or whether he is trying to bring in people of every class.

The CHAIRMAN: Shall the vote carry?

Mr. COOTE: I hope it will not carry until the minister replies.

The CHAIRMAN: I intend to rule that that question is not relevant to the item under consideration.

Mr. ROBB: I do not want to be discourteous to my hon. friend. He comes from Alberta. We had a conference last fall attended by representatives of all the different provinces. Alberta was represented by Mr. Hoadley, the Minister of Agriculture in the Alberta government, and Mr. Hoadley was most insistent upon it that we should get more immigrants, particularly for his province. I would like to satisfy my hon. friend, but I am bound to say I do not think he represents the views of the people of Alberta. I believe the people of Alberta desire more immigrants, more people to go on the land. The people of Saskatchewan desire more; the people of Ontario and Quebec desire a prosperous Canada. We are not among those who are afraid that our country will be filled up with thrifty and industrious people.

Mr. COOTE: I hope the minister does not insinuate that I am afraid of filling up this country with industrious people. But we have been endeavouring by this policy to fill it up for a number of years and we have not filled it up yet. The United States is often referred to as an example, but I am told that the United States has never spent one dollar for the purpose of bringing immigrants into that country. What the United States did was to make the condiitions in that country such that people were anxious to go there.

Mr. GRAHAM: By a high tariff?

Mr. COOTE: This immigration policy as at present carried out in Canada is class legislation. If we are to have immigration why should we have it limited to one class? Surely the farmers of Canada are producing enough now. I have been told by a gentleman from British Columbia that they are producing more fruit in that province than they can sell. I have seen potatoes left in the ground because of a lack of market for them. I have seen cattle sold for one half what it cost to raise them, because there was not a market in Canada for them. There is no question that a great deal of agricultural produce is turned out in Canada which cannot be sold at the cost of production because there is not a sufficient market. Why should we go on trying to get more farmers into Canada? If all other classes of people in Canada had done their share as well as the farmers, there would be no lack of prosperity in this country. To answer what the minister has said about my representing the people of Alberta, I do not pretend to represent the people of Alberta. But I do pretend to represent the people of my constituency, and I say without hesitation that the majority of them would tell the minister just as frankly as I have done that his immigration policy is a class policy; that it is directed against one class. I have resolutions here from farmers' organizations in my constituency protesting against the government spending any more money on immigration until the financial condition of the farmer is made easier and until conditions generally are such that the farmer can make a decent living as well as the other people in this country.

Mr. SPENCER: None of us on this side want to stop voluntary immigration. What we are against, though—and we think a good deal more attention should be given to it—is any condition which results in a great number of people leaving this country. We consider that people who have been in Canada anywhere from ten to twenty-five or thirty years are far more valuable to the country than any people brought in with no experience. I wonder if the minister is aware that in spending $3,500,000 last year to bring people into this country Canada lost the entire number she brought in and 45,000 besides? That is why we are anxious to see a change made in the government's policy. It is not because we do not want people in this country; what we want to stop is the exodus of people from this country.

Mr. ROBB: It is true that people were leaving the country, and they will do it again next year or any other year if similar conditions prevail: a man who can get $15 a day or $1.50 an hour in New York is not going to work in Canada for $5 a day. My hon. friend would not do it. But the tide is turning the other way: the records show that in the last two months, 9,815 Canadians returned. These are the reports from ten ports.

Mr. CAMPBELL: I object to the implication of the minister's remarks that hon. gentlemen in this section of the House are opposing immigration. If I understand the situation rightly, no hon. gentleman in this section of the House is opposed to immigration. What we are trying to point out is the absurdity of taking people in who have no money and no means of being placed on the land. If the government are determined to carry out a policy of immigration and to bring in some good, hardy, vigorous types of settlers they must at the same time provide some financial means for settling those people upon the land. I came originally from Prince Edward Island. There was a time in the history of that province when they were faced with an almost complete breakdown of agriculture. The difficulty was solved by the provincial government of that day financing the farmers of the whole province—and in this I believe they were assisted in some of the borrowing arrangements by the Imperial authorities—through a system of rural credit which enabled the farmers to buy their own land under long term loans at a low rate of interest. That resulted in resurrecting agriculture throughout the whole of Prince Edward Island, and I understand that the provincial government lost not one dollar. That is one of the things the government must face to-day; if they are prepared to carry out an immigration policy it must be coincident with some means of putting the people on the land and enabling them to remain there. The assumption seems to be that when a remark is made from this part of the House with regard to immigration we are saying something derogatory to the country, something defamatory of the country. But I think a search of the pages of Hansard during the last three years will show that not one single remark in any way reflecting upon western Canada came from this part of the House. The very fact that we are in the country shows that we have confidence in it; the very fact that we are here in this House shows that we have confidence in it and that the people have confidence in us. We have a country second

to none in the world. In the district in which I live we are growing fruit which cannot be equalled in most parts of Ontario. On the farm on which I live wild grapes are growing, all kinds of wild fruit—we can produce almost anything. Gentlemen to our right and hon. gentlemen on the other side refer to us as wheat miners, and all that kind of thing, but the day will come when some of those hon. gentlemen will be down on their knees praying to heaven that we be wheat miners again. What is happening your farmer to-day? Trainloads of our western butter are coming to the East and swamping your markets. Last year seven or eight carloads of dressed poultry came to this part of the country from the West and were marketed in Montreal. What did that do to the eastern farmer? It cut his price just in half.

Mr. ROBB: They are not grumbling.

Mr. CAMPBELL: Thirty or forty years ago the eastern farmer was almost put out of business when the prairies were opened up and they commenced to grow wheat and oats out there. I have heard the old people talk about it; I have heard them talk about it in the Maritime provinces, and those who lived through that period will remember it as long as they live. They finally got into mixed farming, and they have now weathered the gale and re-established themselves. We are going through that period in western Canada to-day. We have a hardy, vigorous, virile type of people, and they still have a low standard of living, no matter what nationality they are. They work long hours, and deny themselves a good many of the things that you think are necessary in eastern Canada, and they are producing beyond the limit of this country to absorb. Now, what is the government doing? Last year our exports of butter to England dropped from about 17,000,000 pounds the previous year to 4,000,000 pounds. We have a host of trade agents on the other side trying to get us business, but they are failing because we are losing that business to New Zealand, Denmark, Holland, Argentina, and other countries. I am quite convinced that if the government would put a little bit of energy behind an effort to go after that trade, they would secure it. I made a suggestion to the Minister of Agriculture when his estimates were before the House, and I give him credit for admitting it, but he stated that the people of eastern Canada were not prepared to submit to the regulations that were necessary to bring our butter up to the same grade as New Zealand butter in the Old Country market. The consequence is that we are losing the English butter market to-day.

[Mr. Campbell.]

The CHAIRMAN: Order. I would ask the hon. member to confine himself more strictly to the item under discussion. I think his remarks do not bear very closely on this item for exhibitions.

Mr. CAMPBELL: I think this has a very direct bearing on the question of immigration, Mr. Chairman. However, if that is your ruling I will sit down.

Mr. GARLAND (Bow River): We can have the real discussion on immigration when the second or third item farther down is called. I would ask the minister whether the figures he gave a moment ago with regard to the re-flow of Canadians from the United States are official, or simply newspaper estimates.

Mr. ROBB: They are official figures.

Mr. GARLAND Bow River): He stated, just before he gave those figures, that the whole question of emigration from Canada was very easily explained by the natural flow; it was going on every year, he said; there would be departures from the country month by month. Well, exactly the same answer can be made to his figures. The tourists are just coming over now to see Muskoka.

Mr. ROBB: These are immigrants, not tourists.

Mr. GARLAND (Bow River): Will the minister give us some idea of the value of settlers' effects brought in during the last few months?

Mr. ROBB: I can give my hon. friend the number of cars; there were 120 cars from Fargo, North Dakota.

Mr. MEIGHEN: Can the minister give the number going out the same months? Surely he has those figures.

Mr. ROBB: My hon. friend was inquiring as to the number coming in. From April to March the total value of the settlers' effects was $6,962,739.53.

Mr. COOTE: Is the advertising which the minister is doing at these exhibitions in the United States responsible for this flow of ex-Canadians from the United States back to Canada?

Mr. ROBB: That is a method of advertising. It is not a new policy; it has been going on for years.

Mr. SHAW: Of the 9,807 ex-Canadians repatriated, are there any who have not found employment in Canada in the last few months?

Mr. ROBB: I have no complaints before me.

Mr. SPENCER: I notice that when people are going over to the United States they are asked whether they are going to stay or whether they are just going for a holiday, and if they say for a holiday, they are allowed to go through and no record is kept; but when people come back from the United States, whether they have made their home there or are just returning from a holiday, they have to fill out a form, and thus a record is kept and filed in the immigration office of the flow back to Canada. Does the minister think Canada can possibly keep a real check on her citizens who are leaving, when no record is kept of those who are crossing into the United States just for a holiday?

Mr. ROBB: I do not think we can. I do not think that is kept in any country, except through ocean ports.

Mr. SPENCER: Is it not quite possible we have been losing a great many more people than we have a record of? I know of a certainty of a number of families who have gone over to the United States intending to stay there, but who have said they were just going for a holiday, and if that is the case with others, we may be losing many thousands more than we have a record of.

Mr. SUTHERLAND: I asked the minister a short time ago in regard to the amount spent in the United States, and I did so for this reason: Although the money is spent for exhibitions the main object is really to promote business and emigration from the United States to Canada. There was spent in the last four years $1,830,669.32 to promote emigration from the United States to Canada.

Mr. ROBB: What was the amount for each year?

Mr. SUTHERLAND: For 1920-1921, $456,870.41; 1921-1922, $419,946.02; 1922-1923, $525,363.90; and from April 1, 1923, to January 1, 1924, $428,488.99. What I am pointing out is this: In view of the amount which has been spent over there we have not really been getting value if the tide of immigration is from this country to the United States. Possibly this may have been the effect of the money that has been spent, and I presume the same condition existed before this four-year period ended. In view of all that is taking place between our neighbours to the south and ourselves, it appears to me that this money could be spent to much better advantage in the Old Land, where we could get a much better class of citizens who would come out here and likely make homes in this country. I do not agree with those who say we do not need people in this country to help develop our latent resources. This country was never so much in need of willing workers as it is at this hour, and any one who desires employment in this country can get it at short notice. In the case of those who have not found employment, it is largely because they cannot obtain a certain kind of work they desire. If they were as handy at adapting themselves to conditions in this country as the people of twenty-five or thirty years ago you would not hear much about unemployement in Canada. For that reason I have no sympathy with those who would put up the bars and exclude from Canada those who would make desirable settlers. We have in the Dominion a tremendous undeveloped area, and it is quite evident that our people, or at least many of them, are not inclined to indulge in the manual labour necessary to develop the resources which that area contains. That is the reason I would urge upon the minister to consider the wisdom of curtailing expenses in the country to the south.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.45 p.m.

Tuesday, June 24, 1924

The House met at three o'clock.

PUBLIC ACCOUNTS COMMITTEE

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

That the name of Mr. Lapierre be substituted for that of Mr. Bourassa on the select standing committee on Public Accounts.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Bill No. 199 (from the Senate), to incorporate Shantung Christian University.—Mr. Ryckman.

Bill No. 200 (from the Senate), for the relief of Florence Castle.—Mr. Duff.

Bill No. 201 (from the Senate), for the relief of Frances Hadenka.—Mr. Duff.

Bill No. 202 (from the Senate), for the relief of Louise Powell.—Sir Henry Drayton.

Bill No. 203 (from the Senate), for the relief of Margaret Johnston.—Mr. Hocken.

Bill No. 204 (from the Senate), for the relief of Hilda Girdler.—Mr. Harris.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, I rise for the purpose of again directing the attention of the government to the postal strike at Toronto, where the situation is most desperate. Mountains of mail are piled up. Great difficulty is being experienced by the banks in the clearing of cheques by mail. Cheques for accounts are held up, mail order departments are without work, business is stagnant and at a standstill. The people are lined up for hours five or six feet deep but cannot get near their mail. The situation is so acute that I feel I would be quite justified in again moving the adjournment of the House to discuss the matter. I do not propose, however, to do that, but I want to direct the attention of the Acting Postmaster General (Mr. Stewart) to the matter to see if something cannot be done—

Mr. SPEAKER: Order. The hon. member should be satisfied to put the question.

Mr. CHURCH: If I may be permitted, Mr. Speaker, I would like to complete my question. Now, the situation is so desperate—

Mr. SPEAKER: The hon. member is simply making a comment. Will he put his question?

Mr. CHURCH; What is being done to move the mails? The people of Toronto cannot stand this for twenty-four hours longer. What conciliation has been or will be used in the matter?

Hon. CHARLES STEWART (Argenteuil), (Acting Postmaster General): I think my hon. friend is unduly exercised. The despatch mail is all moving in Toronto. There is no delivery of mail, but mail is prepared and delivered to the business houses and banking institutions. It is quite true that for two or three days cheques mailed could not reach their destinations, but that matter is cleared up to-day.

Mr. CHURCH: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. CHURCH: I rise to a point of order. I contend that under the rules of debate on the orders of the day that is not an answer to the question I asked. I say this is a matter of most urgent public importance to the city I represent. The service is intolerable. No conciliation has been used. Will the minister not give us some more definite statement than he has just given? That is simply the reply he gave the other day.

[Mr. Mackenzie King.]

Mr. SPEAKER: The point of order is not well taken.

WITHHOLDING ASSENT TO PROVINCIAL LEGISLATION

On the Orders of the Day:

Mr. A. E. MacLEAN (Prince): Mr. Speaker, I would like to ask the hon. Minister of Justice (Mr. Lapointe) if any correspondence, official or otherwise, has been received from the government of Prince Edward Island or the Lieutenant Governor of that province relating to the Lieutenant Governor withholding his assent to any legislation passed by the Legislature of Prince Edward Island during the session of 1924, and if such has been received will the hon. Minister of Justice please lay on the Table a copy of the correspondence, orders in council if any, or any other documents relating thereto?

Hon. ERNEST LAPOINTE (Minister of Justice): The refusal of the Lieutenant Governor of Prince Edward Island to give his assent to a bill which had been passed by the legislature of that province—or rather, to speak more accurately, his withholding his assent to that bill—was referred a few weeks ago to the Department of Justice. The Minister of Justice has made a recommendation to the Governor in Council in that regard and I believe an order in council has been passed which has been transmitted to the Lieutenant Governor and to the government of Prince Edward Island. I shall be pleased to give instructions that all the documents referring to that matter be laid on the Table.

INTER-ALLIED CONFERENCE ON DAWES REPORT

On the Orders of the Day:

Mr. HENRY SPENCER (Battle River): I would like to ask the government if a communication has been received from Mr. Ramsay MacDonald with reference to the inter-allied conference to be called in London during July to consider and give effect to the Dawes report. Is it the intention of the government to send representation? And when will the Prime Minister give the House an opportunity of discussing the subject?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I saw by the press this morning that Mr. MacDonald had intimated that the British government were in communication with the government of Canada with respect to the inter-allied conference, and I have no doubt that a communication will be received in due course. Up to the present

time, however, the government has received no communication from the British government with reference to this conference.

UNITED CHURCH OF CANADA

Mr. ROBERT FORKE (Brandon) moved that the House go into committee on Bill No. 47, to incorporate The United Church of Canada.

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

On section 2—Date of coming into force subject to decision in pending action and reference to Supreme Court.

Mr. J. F. BROWN (Lisgar): Mr. Chairman, it is my desire to move in connection with this clause an amendment which will have for its purpose the striking out of the clause and the substitution of another.

This is one of the most important bills that have ever been before the parliament of Canada; and for this reason, that perhaps a greater number of people in the Dominion of Canada are interested in this bill than have ever been interested in any other—certainly any other private bill—that has been before the House. This bill has for its purpose the consummation of the union that was agreed upon by three negotiating bodies of Christians, known as the Presbyterian Church in Canada, the Methodist Church of Canada, and the Congregational Churches of Canada. This bill passed through the Private Bills committee, and in the course of its progress through that committee certain amendments were made to it which alter the bill very materially, and which are considered by the promoters to change in very large measure its effect.

Before entering upon a discussion of these amendments which now appear in the reprinted copy of the bill—a slight change in the preamble, together with the amended clause which now appears as clause 2—let me indicate what I think should be the guiding principles of this committee in approaching the subject, and what the attitude of parliament should be in connection with this bill. It is not the function of parliament to decide upon questions of doctrine or church polity. Unfortunately, during the discussion before the Private Bills committee, perhaps because there was some little mistake in the wording of the original bill, and because some of those opposing the bill introduced these matters in connection with their opposition, the discussion for a time did centre around questions of doctrine. In my judgment, these things should never have been considered at all. While there was a little misunderstanding in regard to the bill as first drafted, it is now made quite clear that in the request that the basis of union be ratified as such, there is no thought that parliament should ratify this or any other form of doctrine or belief. Nowhere in the British Empire, neither in the Motherland nor in any of the great self-governing dominions, will it be seriously contended that the civil power has any right to dictate to men the religious beliefs they shall hold or the manner in which they shall give expression to their thoughts and aspirations in things spiritual.

I have been frequently asked why it is necessary to get power from parliament in order to consummate church union. The fact that such a question should be asked indicates the deep-rooted conviction that matters of faith and worship lie outside the jurisdiction of the civil power, and woe to that government or parliament that shall attempt to lay unholy hands on the Ark of the Covenant. What then is the purpose of this measure? It is not to define our creeds. Is it, then, to define our polity, the manner in which the church shall carry on its affairs? No. It simply asks that Methodists, Congregationalists and Presbyterians shall be given legal sanction to administer their affairs according to the terms that have been mutually agreed upon. In coming to a decision as to whether this sanction should be given, members of parliament, as such, have a right, in my judgment, to ask only two questions. Members of parliament should approach this question as members of parliament. We are here, not as individual members of any of the negotiating churches, not to give expression to our individual views; we had that opportunity when the matter was before our various churches. We are here now as members of parliament to decide whether this legal sanction shall be given; and I say that in my judgment we should ask two questions, and two only: First, has each one of the contracting parties, in the various steps that have been taken in arriving at the conclusion that organic union with the other two is desirable, followed the course that best harmonizes with its constitution and accepted method of procedure? Second, does this bill make a proper provision for the rights of minorities who may not desire to enter into the union?

I shall not discuss that second question at this time, because that will come up as we discuss the various clauses of the bill, but I would just like to make this general assertion at this time: That never before in the history of the various unions that have taken place has such generous provision been made

for the rights of minorities. Having satisfied ourselves that the correct procedure has in all cases been followed and that minority rights have been properly protected, parliament in my judgment has nothing else to do but to pass this legislation. To do otherwise would be to arrogate to itself functions it does not possess.

In considering the question of the procedure that has been followed it must be borne in mind that it is not necessary that all the churches should have followed the same lines. Congregational procedure would, of necessity, differ from Methodist procedure, and Presbyterian procedure would differ from both. Perhaps I might indicate briefly just what these differences in procedure are. Under Congregational polity, which recognizes each local church as a self-contained and self-governing unit, the only way by which these units could enter into a union was by each local church voting itself in. That was recognized from the very beginning. There was no central body made up of delegates or representatives of these local bodies that had any authority except to carry out the instructions given by the local churches. It is true that the Congregational Union of Canada on more than one occasion voted for union with the Methodists and Presbyterians, but that carried no authority; it was simply an expression of opinion by the delegates from the local churches that this union was desirable. I mention this matter because it has an important bearing on the question whether the proper procedure was observed by the other negotiating churches. The Methodist church is a well organized body under representative government. The authority derived in the first place from the people and vested in various church courts known as quarterly boards, district meetings, conferences and the General Conference. Thus when the General Conference of the Methodist church votes in favour of union it is representing a decision that has been arrived at progressively through the lower courts of the church. Under the Methodist system it is inconceivable that any local Methodist circuit should have power to vote itself out of the union, except as a matter of grace after union had been accomplished. To take any other course would be to do violence to what has always been the genius of the Methodist system.

The procedure provided by the Presbyterian church is similar to that of the Methodist church, except that in the case of the Presbyterian church there is an additional safeguard against hasty action provided by the Barrier Act. Under the operation of this act a decision

arrived at by the assembly does not become binding upon the church until the matter has been again passed upon by the presbyteries. It must be clearly kept in mind that in the Presbyterian system there is no provision for a plebiscite of the membership before submission to the church courts, or for a referendum after the matter has been passed upon by these courts. True, a vote of the members and adherents was taken, but this had no constitutional effect and was solely for the purpose of enabling the presbyteries to arrive at a decision as to whether or not union was desirable.

Now, Mr. Speaker, I do not propose to enter into a discussion as to the relative merits of these different methods of procedure. It would be expected that, as a Congregationalist, I would be in favour of the congregational system. But that is neither here nor there. I would have no right at this time, and I think the House would have no right, to dictate to any church the method by which it shall arrive at its decision. My only concern, and I think the only concern of this House, should be as to whether each one of the negotiating bodies followed its own method of procedure.

Let me now proceed to answer the question: Has each church observed the proper procedure in arriving at its decision? There can be no question as regards the Congregational church. It is true, there are individual churches, one or two, that have not voted to come into the union; but the great majority of the united membership have voted in favour, as also the great majority of the individual churches. There can be no question then but that the procedure is in harmony with the Congregational system; neither can there be any question as to the procedure followed by the Methodist church; and neither in the case of the Congregational nor of the Methodist church is there any organized opposition to the consummation of the union through the bill that is now before parliament. But it is different in the case of the Presbyterian church. From the very beginning of this movement looking towards church union there has been in that church a very considerable element that has been opposed to such steps being taken, and this element is to-day offering opposition to the passage of the bill.

Now, as I am not, and never have been a member of the Presbyterian church I did not, during the progress of the church union negotiations through the various courts, pay very much attention to the matter except in a

general way. Recognizing however, that I would have duties to perform as a member of this House I felt it incumbent upon me to put myself in a position to answer to my own satisfaction the two questions alone that seem to me to be vital: Has the proper procedure been observed? Have the rights of minorities been protected? By personal conversation and by reading union and anti-union literature I have satisfied myself that the course followed by the Presbyterian church has been in harmony with its own constitution, and that the proposed bill makes all reasonable provision for the protection of minorities' rights. I shall therefore not attempt to recite in detail the various steps taken by the courts of the Presbyterian church by which they reached their final decision. These steps were not taken hastily. They were taken after the utmost deliberation covering a long period of years; and there is no question in my mind that the action taken by the church leaders in carrying out the decisions arrived at through the various church courts meets with the requirements of the Presbyterian constitution and the wishes of the great majority of the members and the adherents of the church. Knowing little of the Presbyterian system, except in a general way, I entered upon the study of this subject with a good deal of interest, and I may say that I gained an increasing admiration for the Presbyterian system when I noticed the calmness and deliberation with which they dealt with the question. Every step was taken in an orderly manner: First from the lower courts up to the assembly, then back again to the presbyteries; and in all the steps they took, those steps, it seemed to me, were characterized by the utmost deliberation; and I can come to no other conclusion than that the bill is in perfect harmony with the procedure provided by their own church. It is somewhat significant that little if any objection has been offered to the procedure. It is true that objection was taken to the thing itself. It has been urged that the Presbyterian Assembly had no power to do the thing it did; that to do what it did really meant the destruction of the church. I do not think that assertion can be considered as well founded. There is no thought of destruction of any one body, when it unites with another. It never was felt that a branch of the Presbyterian church was destroyed when the union of 1875 took place, neither was it felt that any branch of the Methodist church was destroyed when the union took place in the early eighties. If it is a fact—and it would seem to be a fact—that there is more difference in faith within the bounds of any one of these churches than there is between any two, it would seem that there is no reason to hold that the identity of any one of the negotiating churches would be sacrificed, any more than was the identity of those churches that entered into the former unions.

Now I come to the amendments that were made to the bill. One amendment proposes that instead of bringing this bill into force by the sanction of this parliament certain matters shall be referred to the civil courts. This would seem to be a direct challenge to the right of each church to determine its own doctrine, its own polity and its own destiny. When such a challenge as that is issued it seems to me it behooves not only one church but all churches to assert the right of the church to determine for itself through its courts what its destiny shall be. Much has been said of the House of Lords' decision in the case of the Scottish church, rendered in 1904. It will be remembered that decision was rendered by those who lived in an atmosphere entirely different from that which prevails here. The conception of the relationship of church and state that prevailed in the Old Land until this decision was rendered was entirely different from that which has prevailed among us, and we may safely say that such a decision never could have been accepted in Canada as final. Canadian sentiment in this respect is much more closely in harmony with the sentiment that has prevailed in the United States. I had thought at one time to read a number of extracts from various judgments rendered by United States judges in regard to the relations of church and state which seemed to very clearly harmonize with our own. I shall not however, take time to do that this afternoon, but would only assert that the decision rendered by the House of Lords in 1904 was abhorrent to our conception of the relations of church and state. The situation which arose at that time was corrected, and the conception of the relation of church and state which now prevails in Britain is represented by the declaratory articles passed by the church and ratified by the Imperial parliament by the act of 1921.

Why do we object to these amendments that were added to the bill? It should be remembered that the negotiating bodies, from the time that they began their negotiations, had very clearly before their minds that the union would be consummated only by an act of the Imperial parliament and concurrent legislation on the part of the provincial par-

liaments. That was recognized, and during the whole course of the negotiations the thought was to avoid the difficulty that arose in the case of the Scottish church which is very clearly set forth in the appendix to the law on the basis of union. I shall just read one clause making clear that the United church shall have the powers of legislation mentioned in sub-paragraph (2) of paragraph 24 of the polity section of the basis of union, subject to the safeguards thereby imposed, in such full and ample manner as to render impossible the existence in connection with the United church of the conditions which have arisen in Scotland in connection with the United Free Church of Scotland, under the decision of the House of Lords, touching its property and doctrine.

The purpose of those who entered into the negotiations leading up to this bill was to avoid litigation, and now the Private Bills committee of this House has forced upon them, or would force upon them, the very thing they sought to avoid. We may, I think, learn from the bill to which I have referred, the Imperial act of 1921, affirming the declaratory articles of the Scottish church what ought to be our proper course at this time. This act is very brief, and I think it would be well that not only the act itself, but the declaratory articles as well should be inscribed on the pages of Hansard. I am going to read the act—since it only contains four clauses—and briefly summarize the declaratory articles. In my judgment it throws a great deal of light upon our present situation. This is an act to declare the lawfulness of certain articles declaratory of the constitution of the Church of Scotland in matters spiritual, prepared with the authority of the General Assembly of the church. The preamble reads:

> Whereas certain articles declaratory of the constitution of the Church of Scotland in matters spiritual have been prepared with the authority of the General Assembly of the church with a view to facilitate the union of other churches with the Church of Scotland, which articles are set out in the schedule to this act, and together with any modifications of the said articles or additions thereto made in accordance therewith are hereinafter in this act referred to as "the declaratory articles".
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> And whereas it is expedient that any doubts as to the lawfulness of the declaratory articles should be removed:
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> Be it therefore enacted by the King's most Excellent Majesty by and with the advice of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:
>
> 1. The declaratory articles are lawful articles, and the constitution of the Church of Scotland in matters spiritual is as therein set forth and no limitation of the liberty, rights and powers in matters spiritual therein set forth shall be derived in any statute or law affecting the Church of Scotland in matters spiritual at present in force, it being hereby declared that in all questions of construction the declaratory articles shall prevail, and that all such statutes and laws shall be construed in conformity therewith and in subordination thereto, and all such statutes and laws in so far as they are inconsistent with the declaratory articles are hereby repealed and declared to be of no effect.
>
> 2. Nothing contained in this act or in any other act affecting the Church of Scotland shall prejudice the recognition of any other church in Scotland as a Christian church protected by law in the exercise of its spiritual functions.
>
> 3. Subject to the recognition of the matters dealt with in the declaratory articles, as matters spiritual, nothing in this act contained shall affect or prejudice the jurisdiction of the civil courts in relation to any matter of a civil nature.
>
> 4. This act may be cited as the Church of Scotland Act, 1921, and shall come into operation on such date as His Majesty may fix by order in council after the declaratory articles shall have been adopted by an act of the General Assembly of the Church of Scotland with the consent of the majority of the presbyteries of the church.

Now the declaratory articles themselves are contained in the schedule. I shall briefly refer to them, although I think it would be as well for the information of the country if the whole of them were inscribed on Hansard.

Section 1 declares the Church of Scotland to be part of the Holy Catholic Church that it adheres to Scottish reformation, that its supreme standard of faith is found in the Old and New Testaments.

Section 2 declares that the Westminster Confession is a subordinate standard, and that it approves of the doctrinal statement therein contained, and the prescription of government therein described.

Section 3 asserts the historical continuity of the Church of Scotland and declares that the continuity of the Church of Scotland and its identity are not prejudiced by the adoption of these articles.

Section 4 deals with the office bearers and mode of election and their authority, and it concludes with these words:

> Or give to the civil authority any right of interference with procedure or the judgment of the church within the sphere of its own government and jurisdiction.

Section 5 asserts the inherent right of the church to interpret and to frame its own statement of faith, to interpret and adopt its own subordinate standards, and to modify these always in relation to the condition of faith set forth in section 1.

Section 6 is simply a general recognition of the church and state, each having its own jurisdiction.

I will read section 7 in full, because it has some important bearing upon this case:

> The Church of Scotland believing it to be the will of Christ that His disciples should be all one in the Father and in Him, that the world may believe that the

Father has sent Him, recognizes the obligation to seek and promote union with other churches in which it finds the Word to be purely preached, the sacraments administered according to Christ's ordinance, and discipline rightly exercised; and it has the right to unite with any such church without loss of its identity on terms which this church finds to be consistent with these articles.

That is left for the church itself to determine.

Section 8 reads:

The church has the right to interpret these articles, and, subject to the safeguards for deliberate action and legislation provided by the church itself, to modify or add to them; but always consistently with the provisions of the first article hereof, adherence to which, as interpreted by the church, is essential to its continuity and corporate life. Any proposal for a modification of or addition to these articles which may be approved of by the General Assembly, shall, before it can be enacted by the assembly, be transmitted by way of overture to presbyteries in at least two immediately successive years. If the overture shall receive the approval, with or without suggested amendment, of two-thirds of the whole of the presbyteries of the church, the assembly may revise the overture in the light of any suggestions by presbyteries, and may transmit the overture when so revised to presbyteries for their consent. If the overture as transmitted in its final form shall receive the consent of not less than two-thirds of the whole of the presbyteries of the church, the General Assembly may, if it deems it expedient, modify or add to these articles in terms of the said overture. But if the overture as transmitted in its final form shall not receive the requisite consent, the same or a similar proposal shall not be again transmitted for the consent of presbyteries until an interval of five years after the failure to obtain the requisite consent has been reported to the General Assembly.

Section 9 reads as follows:

Subject to the provisions of the foregoing articles and the powers of amendment therein contained, the constitution of the Church of Scotland in matters spiritual is hereby anew ratified and confirmed by the church.

Now turn back to the second part of the preamble which says:

Whereas it is expedient that any doubts as to the lawfulness of the declaratory articles should be removed:

That is, in order to set at rest any doubts as to the lawfulness of these articles, the Imperial parliament passed this statute.

That is very similar to the situation which confronts us. These negotiating churches came together. They recognized there might possibly be some doubt and they came to parliament asking parliament to pass an act in order that the doubt might be removed and that it might be settled for all time. The Private Bills committee, in its wisdom, or otherwise, said, "You have asked for legislation, but we will give you litigation; go to the courts". Instead of this parliament doing what the British parliament did, setting all these matters at rest as regards the Church of Scotland and any other churches in Scotland, this parliament is asked to take an entirely different course. But we say, no; we object to being forced into the courts when our purpose from the beginning was to avoid litigation.

I will just briefly indicate one or two other reasons why this clause should be deleted from the bill. The churches have now been twenty years in a period of negotiations. The work of the churches has been carried on not perhaps in the orderly and systematic manner in which it was carried on previously. Temporary arrangements have been made. It is not desirable that this condition should any longer continue. Not only is it true in the West, but it is also true in eastern Canada in many districts, that until this legislation is passed the churches cannot carry on their work with the system, the orderliness, the force, that they otherwise could have done. Therefore, it is not wise that we should ask them to accept, or that we should force upon them, the delay that would necessarily be incurred if this clause were allowed to remain in the bill. Because it is by no means certain how long it would take to reach anything like a decision. "The law's delays" we know are proverbial, and we have no right to force any longer delay upon these churches.

And does any one imagine for a moment that even if an adverse decision should be given in the courts that that would finally settle the matter? I cannot imagine for a moment that the Presbyterian church or any other church would be satisfied with a decision of the civil courts that would impugn the rights of its own courts to decide its own doctrine, polity and destiny. If doubt should be thrown upon the authority of its General Assembly, the Presbyterian church would come back to this parliament, just as the Church of Scotland went to the British parliament, and would ask, and would have a right to receive from this parliament, legislation confirming it in the exercise of its rights as a church. Therefore, we cannot think that the matter would be settled even if an adverse decision should be given. Parliament has the authority to settle the matter right now, so why should that not be done?

Other reasons might be urged. It might be worth while pointing to the recent vote of the General Assembly at Owen Sound. It has been contended that the General Assembly has not represented the Presbyterian church; but for the benefit of those who are not familiar with church procedure, it might be indicated that the personnel of one General Assembly is never the same as that of the one that preceded it. I am not certain of the number, but

four or five times the General Assembly of the Presbyterian church has pronounced on this question in one phase or another and always by large majorities, the last vote taken at Owen Sound showing the largest majority of all. The General Assembly represents only one-sixth of the ministers and an equal number of the elders. These are chosen in turn, so that you have not the votes of a body of men meeting together year after year, but the votes of a body that differs absolutely in its personnel every year. Surely that is a reason for holding that the General Assembly does represent the will of the Presbyterian church.

One matter which has not been referred to during the course of the debate, but to which I would wish to refer just at this point, is that this question has been discussed almost altogether from the standpoint of the Presbyterian church and the opposing element in that church; but it should be remembered that there are three negotiating bodies, not only the Presbyterian church, but the Methodist church and the Congregational church. Hitherto, those representing the other churches have stood aside. But they have some rights now that should be recognised by this parliament, and delay should no longer be forced upon the Methodist church or the Congregational church. I do not think this parliament would be wise in ignoring those rights. While we have not asserted them very strongly up to this point, I think that at this time it is fitting that it should be made very clear that this is not simply a matter in regard to which the dissenting minority of the Presbyterian church are interested; but it is a matter in which a very large proportion of the Presbyterian church are interested as well as these other two negotiating bodies; and, speaking for the other negotiating bodies, we are satisfied that no civil court will declare the inadequacy of the Presbyterian courts. We are satisfied that the legislation that we are asking for is good legislation and will hold, and we are asking this parliament to give us this legislation.

There is no question of the right of parliament in this matter. Parliament may pass this legislation or it may refuse it. But I want to point out that there is absolutely no precedent for refusing legislation when bodies of Christians, desiring to have their union consummated, come before parliament or any legislature. The request has always been granted as a matter of course. When churches through their own action or by the means provided by their own constitution, have determined to enter a union, parliament has always ratified those unions. So, we say: You have power to pass this legislation; you have power to refuse it; but do not send us to the courts to meet litigation which is exactly what we have been trying all these years to avoid. Therefore, I beg to move the following amendment:

That the whole of section 2 of the said bill be stricken out and the following substituted therefor:

2. This act shall come into force on the 10th day of June, 1925, except the provisions required to permit the vote provided for in section 10 being taken, which shall come into force on the 10th day of December, 1924.

Mr. WILLIAM DUFF (Lunenburg): I should like to deal for a few moments, not only with the amendment moved by the hon. member for Lisgar (Mr. Brown), but with the history of the negotiations which have led up to the introduction of this bill, that is the first bill as introduced into parliament and considered by the Private Bills committee, with the bill as amended and reported to parliament by the chairman of the select standing committee on Private Bills and also with the amendments which have been moved thereto by the hon. member for Lisgar. In order to understand this question properly, we have to go back a good many years. The hon. member for Lisgar told us in a few words some of the things which happened in regard to this great question. But before this parliament can give an intelligent vote on this question, we must look at the question from every angle. What are the facts with regard to the negotiations as mentioned by the hon. member for Lisgar? In the year 1904, the General Assembly of the Presbyterian Church in Canada and the Methodist Conference met in the same city, and three members of the Presbyterian Assembly were instructed by that assembly to go over to the church where the Methodist Conference was meeting and extend to them the felicitations of the General Assembly of the Presbyterian Church in Canada. During the course of the remarks made by these three gentlemen, the last speaker, Principal Patrick, without any instructions from the Presbyterian General Assembly, in his remarks held out the hope that the union between those two great churches might be consummated at some time in the future. The next day the Methodist church sent an official delegation to the General Assembly asking that they discuss the matter. For several years negotiations were carried on, with the result that in the year 1911 it was decided to take a vote of the Presbyterian church. Before I read the result of that vote, might I say this? In 1905, the union committee appointed by the Presbyterian Assembly made its report

telling of its meeting with the committees of the Methodist and Congregational churches. Among the closing words of that report were these:

It was universally recognized in the joint committee. . . .

That is including Methodists, Congregationalists and Presbyterians.

. . . . that a union of the churches to be real and lasting, must carry the consent of the entire membership.

The assembly adopted that report, sending it forth to the church, and its statements were accepted as the statements adopted by the assembly.

In 1911, however, a vote of the Presbyterian church was taken, the membership at that time including sessions and moderators, being 298,916. Of these, 113,000 voted yea and 50,733 nay. Hon. gentlemen who were in the Private Bills committee and heard Sir Robert Falconer speak on the subject will no doubt remember that, instead of giving the total vote on both sides as well as the full information with regard to that vote, he told us that only 16 per cent of the total vote of the Presbyterian church was against the union in 1911. Of course that statement was true; but he should have gone on to tell us that only 37 per cent of the total membership of that church voted in favour of union. He also told the committee about the vote in 1915, stating that only 22 per cent of the total membership of the church at that time voted against the union; but he refrained from mentioning the fact that in the 1915 vote the percentage in favour of union fell off from 37 to 33 per cent. Coming from Sir Robert Falconer it may have been right and proper that the matter should be stated in that way, but I am giving to the House my idea as to the proper way in which the facts should be set forth; the vote on both sides ought to be stated, showing what percentage voted for and what percentage was against the union.

After the vote had been taken in 1911 the General Assembly on receiving the result stopped the movement, and this is what they stated in 1912:

In view of the extent of the minority which is not yet convinced that organic union is the best method of expressing the unity sincerely desired by all, the assembly deems it unwise to proceed immediately to consummate the union—

At that time, remember, only 16 per cent of the church voted against the union, and yet the General Assembly, when they met the next year, deemed it unwise to proceed to its consummation.

—but believes that by further conference and discussion practically unanimous action can be secured within a reasonable time.

In other words, the General Assembly distinctly declared in 1912 that unless a practical unanimity could be obtained on the part of the whole church they would not consider it advisable to go on with the movement. In 1915 another vote was taken, and here are some of the opinions which were expressed with reference to the condition of things then. I quote first the words of Principal Patrick:

They wanted to carry all the members of the three churches into the union. From first to last the question must be a people's question.

That is to say, he felt that the minority against union was too considerable, or the majority in favour of union, too slight, to warrant the General Assembly's proceeding to consummate the movement. Next I give the views of Dr. Clark:

He thought the second vote of the people ought to be taken. He declared that if it was proved by such a vote that a considerable minority was not in favour of union he would regret the fact, but he would not force the issue. He went on to say that there is no such thing as attempting to force union on the church.

Let us see what was stated by Sir Robert Falconer himself, the gentleman who came before the committee and endeavoured to show there why at this time union was a good thing. He is reported thus:

From the commencement he had put it in the forefront, that it would be utter madness to go forward to a union that did not carry the whole church with it. It was absurd to think that the assembly could force its will on the people.

I want my hon. friend from Lisgar (Mr. Brown) to note these words:

It was absurd to think that the assembly could force its will on the people.

Mr. MACDONALD (Pictou): Was that after the last vote had been taken?

Mr. DUFF: Yes. Now, they talk about the people of the West wanting this union. Well, let me tell the House that out of a total membership of 80,000 Presbyterians in the West only 32,000 voted for union in 1911. That is not the unanimity which Professor Falconer and other leaders in the church wanted in the movement; and yet they come to-day and ask parliament to pass a bill when, not 22 per cent but, I am confident in saying, at least 75 per cent of the total membership of the Presbyterian church are opposed to union; for I have no doubt whatever that if a vote were taken to-day it would reveal that percentage of the Presbyterian body who are against the movement and anxious to remain in their own church.

At this stage it may be just as well for me to explain my own position in relation to church union. It has been stated that I am opposed to the union; the statement has

also been made that I have been and am opposed to the passage of a bill to incorporate the United Church of Canada. I desire to deny that latter statement; so far as the union of the churches is concerned, my opinion is that no more good will result from the union of the three churches named than could be attained if each preserved its separate identity and worked as it has done in the past over a long period of years. In view of the history of the Methodist church, the Congregational church and the Presbyterian church, respectively, my own candid opinion is, as it has always been, that these churches will do far better work in the world as they have been going on in the past than they would do if they were united into one merger or composite organization. But so far as the church union bill is concerned, I want to say that as a member of parliament and as a citizen of this country I think that this House should pass the measure to incorporate the United Church of Canada. I have never opposed any such bill and I am ready to-day as I have always been ready to assent to the passage of a measure for the purpose of incorporating the United Church of Canada and giving to that body under a corporate act all the powers necessary to enable it to conduct its affairs in whatever way it might see fit. My objection has always been, and the objection of those for whom I speak is the same, that those who do not want to go into the union, whether they be Methodists, Congregationalists or Presbyterians, ought not to be forced or coerced, as the present bill proposes to force or coerce them.

4 p.m.

Possibly I have had a different experience from that of any other hon. member in this House. I was born and bred in a little town where there was no Presbyterian church and where my people were the only Presbyterian family in the neighbourhood. Consequently I had a double training. Every Sunday morning when I got out of bed I had first to eat a big plate of porridge and then to learn the Shorter Catechism; after I had got up my allotted lesson, and when the Methodist church bell rang, my mother took me by the hand, I being too small to go alone, and took me to the Methodist church. And I attended the Methodist church and Sunday school for twenty years. So that if there is one man in this House who should give thanks to the Methodist church, I am in the position to do so. I have nothing against the Methodist church; and if that church, the Congregational church, and any part of the Presbyterian church want to unite, I say that so far as I am concerned they can do so.

[Mr. Duff.]

But I do not want those who are opposed to entering that union to be forced into so doing by legislation or by the courts of the Presbyterian church.

This bill No. 47, was introduced into this parliament by the hon. member for Brandon (Mr. Forke); I hold in my hand a copy of that bill as introduced by the hon. gentleman. It is being contended by the hon. member for Lisgar and by other hon. gentlemen that we should pass this bill because forsooth the General Assembly of the Presbyterian church have asked us to do so. And my hon. friend from Lisgar in his closing remarks also intimated that the Methodist church and the Congregational church had also requested that the bill be passed. I say that neither the Methodist church, nor the Congregational church nor the Presbyterian church ever asked parliament to pass that bill; and I will prove that statement to the satisfaction of every hon. member within the next five minutes. That bill is not the bill which the General Assembly of the Presbyterian church passed in 1923. I have here a copy of the bill, which was prepared by no less a personage than the Hon. N. W. Rowell, assisted by two other gentlemen, and which was forwarded to the Presbyterian General Assembly and the Methodist Conference and approved by those two bodies. And I will prove that somebody for some reason or other deliberately emasculated that bill. I will prove that in several clauses the bill is entirely different from the bill which was approved by the Presbyterian Assembly and the Methodist Conference. If I can prove that, then why should this bill be passed by parliament? It is not the bill which the Presbyterian General Assembly asked us to pass, even if we had the power to pass it and it was constitutional for us so to do. Let me establish my point. If you turn to the preamble of the bill, leaving out the underlined words, which constitute the amendment, you find it reads as follows:

Whereas the Presbyterian Church in Canada, the Methodist Church and the Congregational Churches of Canada have by their petition represented that, believing the promotion of Christian unity to be in accordance with the Divine Will, they recognize the obligation to seek and promote union with other churches adhering to the same fundamental principles of the Christian faith, and that, having the right to unite with one another without loss of their identity upon terms which they find to be consistent with such principles, they have adopted a basis of union which is set forth in schedule A to this act and have agreed to unite and form one body or denomination of Christians under the name of "The United Church of Canada;" and have prayed that it may be enacted as hereinafter set forth; And whereas it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That is the bill as introduced by the hon. member for Brandon (Mr. Forke), in the form, no doubt, in which it was handed to him by one of the lawyers acting for the United church committee. Now, here is the preamble which the Presbyterian church and the Methodist church adopted at their general assembly and conference:

> Whereas the petitioners hereinafter named have represented that the Presbyterian Church in Canada, the Methodist Church, and the Congregational Churches of Canada have agreed to unite and form one body or denomination of Christians under the name of "The United Church of Canada," in accordance with the terms and provisions of the basis of union set forth in schedule "A" to this act, and have prayed that it may be enacted as hereinafter set forth;
>
> And whereas it is expedient to grant the prayer of the said petition;

Are these two alike? Of course they are not; they are entirely different. So that even if the General Assembly had the authority to proceed as they did, I say this bill should not be passed by parliament because it does not carry out the wishes of the General Assembly of Canada. Let me go a little further. The Methodist Conference recommended that the following words be added to section 7:

> The persons entitled to vote at any meeting of such congregation shall be persons in full membership who are of the age of eighteen years or over.

That part of the section does not appear in the bill as introduced by the hon. member for Brandon. They recommended also that section 9 be amended by inserting after the word "membership" in the fifth line thereof the following words, "who are of the age of eighteen years or over." Then, in section 10, subsection (k), after the words "superior court of any province of Canada" they have struck out "or corresponding courts of Newfoundland or Bermuda". This was in the original bill but was deleted, evidently by the lawyers who prepared the draft and handed it to the hon. member for Brandon.

I was discussing this bill with two Presbyterian ministers a few days ago and they tried to show me that that doctrine as set forth in it embodied no change from the present Presbyterian doctrine. I mentioned the fact that there was a difference in regard to the calling of ministers. I showed them that in addition to the congregation calling a minister it was necessary under this bill for what was known as a settlement committee to approve of the "call". But they said that could not be; that that had not been put in at the assembly. I said to them, "Well, it is in now." They argued that such a provision had never been put in; so I came to my room, turned it up, and proved to them conclusively that this clause was entirely different from what had been passed by the General Assembly of 1923. Such being the case, how can the hon. member for Brandon and the hon. member for Lisgar (Mr. Brown) argue that we should pass this bill, even if the Presbyterian Assembly had the right to take this course?

Having been moved in this House, the bill went to the committee. The committee spent some six weeks hearing evidence and discussing every phase of the preamble. I think I can compliment the representatives of both sides in that they all made very excellent addresses; while we could not perhaps agree with all they said, yet we felt they had put up a very good case. The opponents of the bill, those Presbyterians who wanted to remain in their own church, felt at first that the bill should not pass at all. I am referring now not to the members of the committee who voted for my amendment but to gentlemen outside who came there opposing the bill. To show you, Mr. Chairman, that the amendment which I moved and which passed the committee was not an amendment which had been approved of by the Presbyterians who wanted to remain in their own church, I want to put on record the first amendment which these Presbyterians thought should be moved to the bill, and also to show that the amendment I subsequently moved was a compromise and was, as I say, drafted without my consulting the wishes of the Presbyterians who thought that the bill should not pass in any form. Here is the amendment which opponents of the bill thought should be passed by this House:

> That before proceeding further with the bill the promoters of the bill be instructed to draft clauses by which the bill will be amended by providing for the preservation of the Presbyterian Church in Canada as a separate entity and for giving to any congregation of such church the right by vote of its members and adherents to go into the United Church of Canada, and providing that after ascertaining the number of those who have left the Presbyterian Church in Canada and joined the United Church of Canada, an apportionment or division of the property shall be made so as to render substantial justice, having regard to all the equities in so far as the jurisdiction of this parliament extends.

You will notice that that amendment which the opponents of the bill thought should be moved is entirely different from the present provisions of the bill. For instance, one thing the opponents of the bill wanted was that Presbyterians should vote themselves into the union and not out of the union. Under the bill as at first introduced everybody was taken into the United church, holus bolus, whether he wanted to go in or not; the property was taken in and then those who desired to do so were given six months

to vote themselves out and would afterwards have to fight for goodness knows how long in order to regain their property. This, I say, was the resolution which the opponents of the bill would like to have seen passed. Personally I think it is a fair amendment, but after listening to all the discussion and after consulting with different members of the House I felt we should endeavour to make some compromise which would be acceptable to both sides in this dispute. Consequently after a good deal of earnest consideration I moved this amendment, seconded by the hon. member for West Hastings (Mr. Porter):

That the preamble of Bill 47 be amended by adding after the word "petition" in line 16 the following:

"Subject to the following conditions.—Provided that this act shall not come into force until and unless

(1) The courts shall have finally decided that the General Assembly of the Presbyterian Church in Canada has the constitutional power to form a union of the Presbyterian Church of Canada with the Methodist and Congregational Churches upon the terms of this act.

(2) The courts shall have finally decided that the parliament of Canada can constitutionally enact this act in whole or in part and if the courts should decide that this act is constitutional only in part, then it shall come into force only as to such parts as are declared constitutional, provided further that the latter question shall be submitted to the Supreme Court of Canada by a reference by the Minister of Justice."

What was my reason for moving this amendment? It was this: As I said a moment ago, after the committee had listened attentively practically every day for two or three weeks to argument on both sides of this question by legal advisers and others, I have no hesitation whatever in saying that no member of that committee was in a position to judge whether the Presbyterian church had the constitutional power to force all its members into this union or not. That is the reason I moved the amendment. It was only to get something which I thought would be satisfactory to the committee. But after moving the amendment and hearing the discussion which took place upon it, I found that objection was raised to it on the ground that it went too far in the opinion of some members. Their idea was that it went too far in that no definite time was set in regard to the action in the courts. They said, if that amendment passes, and if parliament agrees to the bill with that amendment, there may be endless litigation. I saw at once that was a good point, and a small subcommittee was appointed to go into the matter and endeavour to draft an agreement which would be acceptable. That subcommittee spent a whole day trying to reach an agreement, but in vain. However, after further consultation another amendment was drafted, and that is the one which appears in the bill as it is now before the House, and which the hon. member for Lisgar desires to be stricken out.

Now I want to emphasize this: In my opinion we, as legislators, outside of perhaps a few lawyers in the House, are not competent to judge whether or not the Presbyterian church has proceeded constitutionally, and if that is the case, how are we going to vote? Why should we strike out my amendment, and replace the amendment in its original form, if in our opinion we do not know to our satisfaction whether the Presbyterian church had the constitutional right or not. The hon. member for Lisgar and others in favour of the bill have been arguing all along from the time this bill was introduced that they were perfectly sure that the Presbyterian church did have the power under their constitution to bring the whole church in, and to ask for this legislation. Well, if that is the case, what have they got to fear from the courts? Is it not far better for the courts to decide whether or not they have the power, than to have this matter settled by parliament and then taken to the courts afterwards? The hon. member for Lisgar in his remarks said that to pass my amendment would mean litigation. Does not my hon. friend know that this question is already in the courts? It was in the courts before ever this bill was introduced, and consequently, whether we pass this bill in its original form or pass it with my amendment, there is still a suit pending in the courts, and neither this parliament nor the Presbyterians who want to go into union can get away from that action which is in the courts at the present time. That action is going on, and is going to be settled, and I can tell my hon. friend I am positive the Presbyterians who desire to remain in their own church are just as anxious to get that action settled as the Presbyterians, or anyone else, who want to go into the union. They are anxious to have the whole question settled so that the church can go on with its work.

We have not only had a good deal of discussion with regard to this matter in the committee, Mr. Chairman, but it has also been discussed a great deal outside of the committee. You will perhaps remember, Mr. Chairman, that in the old days we used to hear a lot about lobbying around the halls of parliament, but I think you and every member of the House will agree that never was there such a lobby as was conducted around this parliament with regard to this bill. Not only was there a lobby conducted around this

parliament, but members of parliament were told that if this parliament did not pass this bill—my hon. friend from Lisgar told us the same thing practically to-day—something awful was going to happen to the members of parliament. Now I do not think any member of parliament is going to be intimidated by anything anybody says either outside or inside of this parliament, because we are a hard-boiled lot, and whether it is a clergyman or a layman, we are going to do what we think is right; we will not be intimidated by anybody inside or outside of the walls of this parliament. I think, Sir, it was a most undignified thing for clergymen in this city and outside, whether they met in the Presbyterian General Assembly or in Chalmers church in Ottawa, at the very time this bill was being considered by the Private Bills committee, to get up and make the remarks made by some of them on those occasions. I want to put on Hansard a few of the remarks that were made at that time, so that the committee may know what was said. I repeat, it was a most undignified thing for these gentlemen to try in any way to force parliamentary action. There was a gentleman named Smythe who spoke at Chalmers church, and here is what he said:

The speaker warned the legislators in advance of the consequences which he said would be sure to follow if the bill is defeated. "This country will be plunged into a religious war, the extent and bitterness of which no man can foretell," he said. "If the union bill is defeated or has to be withdrawn, the next general election in Canada will be fought on an issue of the spiritual independence of the churches in this country."

Was not that a nice remark for a gentleman of Mr. Smythe's standing in the community to make?

Mr. CRERAR: Will my hon. friend vouch for the accuracy of the report?

Mr. DUFF: In reply to the hon. member, my wife was there and heard him say it.

Mr. CRERAR: That is very good evidence.

Mr. BROWN: I am glad to know that there is somebody who can make the hon. member for Lunenburg believe certain things he may not want to believe.

Mr. DUFF: I always believe the truth, and that is perhaps the reason I cannot believe all my hon. friend says. Now, on the heels of this statement by Mr. Smythe, followed the General Assembly of the Presbyterian church, meeting at Owen Sound, and listen to what they say:

If the Private Bills committee at Ottawa finally brings in a majority report unfavourable to union, the minority of the Private Bills committee will bring in a minority report, which is already fully prepared—

Perhaps my hon. friend from Lisgar knew something about that. This was long before the Private Bills committee had decided on any report.

—and will, if possible, commit every member of the House to the hilt on this issue.

That session of parliament will be followed quickly by an election, and the subject will then be fought out in the various regions wherever the matter can be introduced. It is apparently not the intention of the committee on church union to enter the courts voluntarily under any circumstances or to submit the matter at issue to the courts—it is maintained that the subject is one which must be settled by parliament and not by the courts.

And that is from no less a body than the General Assembly of the Presbyterian church! Think of it, Mr. Chairman, ministers of the gospel, sitting in Owen Sound, in a church which was strongly anti-union, and daring to send that out to members of parliament.

Mr. BROWN: Is that the report of the assembly?

Mr. DUFF: That is the report of the assembly, yes. I think even my hon. friend from Lisgar (Mr. Brown) will admit that is not quite satisfactory. I will tell you what Dr. Pidgeon said at the assembly. He said that the church in its development would bow to no civil authority. Now, Sir, there are other people who wanted to get into this discussion and into the limelight. For example, the Minister of Agriculture (Mr. Motherwell) started to give the members of parliament a hint.

Some hon. MEMBERS: Oh, oh.

Mr. DUFF: He butted into the discussion like a billy goat at a billboard, and he warned Liberal members of parliament to be careful of what they are doing. I should like to know what politics have to do with this bill we are now considering? Opinion concerning it is divided among the Liberals. Opinion among the Conservatives is also divided—some are for and others against the bill—and I think the Progressives are divided in a similar manner. So, I ask what right had the Minister of Agriculture, or anyone else to write such a letter to the members of this parliament?

Mr. IRVINE: Read the letter.

Mr. DUFF: Do you want me to read it?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. DUFF: The letter has been published in the press and no doubt all my hon. friends have seen it. A good deal has been said

about the vote of the assembly on this matter a few weeks ago, and my hon. friend (Mr. Brown) mentioned the fact that the vote in question was overwhelmingly in favour of this bill. Well, I am very doubtful if five members of the assembly ever saw the measure. It reminds me of the petitions which came into this House by the hundreds asking hon. members to pass this bill. I am quite positive that of the names on those petitions not one man out of ten thousand had ever seen the bill when he signed the petition in question.

Mr. FORKE: Hear, hear.

Mr. DUFF: I am glad my hon. friend agrees with me. Now, what about the meeting of the assembly. It is quite true, as the hon. member (Mr. Brown) has said, that the assembly voted overwhelmingly in favour of union and in support of this bill but that —to my mind and to the minds of Presbyterians who know the government of their own church—does not amount to very much. My hon. friend said that the composition of the assembly changes every year. Let me tell him that it does not change very much, and it has not changed very much since the question of church union has been up; the gentlemen who are strongly in favour of church union, and who are trying to force this bill through, have gone to every meeting of the assembly that has been held for the last ten years. But let us look into the matter a little further.

Mr. THURSTON: Had not those opposed to church union a perfect right to be represented at the assembly?

Mr. DUFF: They did not have the same opportunity to be represented as those who were in favour of church union.

Mr. THURSTON: Why not?

Mr. DUFF: Because those who were in favour of church union could practically settle who were to go to the assembly.

Mr. THURSTON: Why?

Mr. DUFF: This is the reason why: It is a well known fact that the majority of clergymen in the Presbyterian church are in favour of church union, and when the Presbyteries met to select commissioners who were to go to the assembly my hon. friend can very well realize that they would select their own friends.

Some hon. MEMBERS: Oh, oh.

[Mr. Duff.]

Mr. HALBERT: There are elders of the church who go by virtue of seniority.

Mr. DUFF: The hon. member knows that there are very few elders who go, and if they did they would not go by virtue of seniority. There is what is known as the ruling elder; he is the one that usually goes to the assembly.

Mr. CALDWELL: The ruling elder is elected by his congregation.

Mr. DUFF: Perhaps fifty years ago, perhaps forty-five, perhaps forty, perhaps thirty, perhaps ten, perhaps one.

Mr. CALDWELL: That is not correct because I have been elected ruling elder of my congregation several times, and I know the procedure much better than that.

Mr. DUFF: All I can say is that I am surprised at the church. Now, let us look at the composition of the assembly. For instance the presbytery of Pictou sent fourteen commissioners to the assembly, out of which number eleven voted for the resolution of Dr. Pidgeon and three against it. Well, in spite of that fact, out of a total membership of 8,000 in the presbytery of Pictou only 1,790 voted in favour of union. Take another example.

Mr. CALDWELL: How many voted against?

Mr. DUFF: The number that voted against was 3,345. Take another example, the presbytery of St. John. It has 5,640 members of whom only 1,513, or a little more than one-fourth voted for union.

Mr. McMASTER: What vote was that?

Mr. DUFF: I am talking about the vote that was taken in 1915. Now take the presbytery of Glengarry. My information is that twenty-three commissioners went to the assembly from that presbytery. Twenty of these commissioners voted for Dr. Pidgeon's resolution and in favour of church union, whereas it is a well known fact that in the presbytery of Glengarry some twenty congregations are opposed to church union. Yet twenty ministers went to the last assembly and gave a vote diametrically opposed to the wishes of their congregations.

An hon. MEMBER: Do they still hold their jobs?

Mr. DUFF: Yes, I think that is the mistake that was made. That shows conclusively that the vote of the assembly does not mean very much. It is also a fact that at the last

assembly, when the vote was about to be taken, some of the commissioners suggested that it should be taken by ballot but the majority of members of the assembly refused a vote by this democratic method. They did not want to have a vote by ballot taken because had that course been followed instead of ninety-four commissioners voting against Dr. Pidgeon's resolution the result would have been very much different.

It has been said that the Methodist church is a unit in favour of church union. The Presbyterians do not want to deny that fact; but it is well known to people on the outside that a great many Methodists in the Methodist church would be quite willing to remain in their own church and not go into the union. Let me read what was said by Sir Robert Perks at the last Ecumenical Methodist Council. He said:

> British Methodists look with utmost dismay upon the rash precipitancy of the Canadian Methodists on the matter of organic church union. What? Would you cut off all the hallowed associations of Methodist history? Would you in Canada be a consenting party to the annihilation of your identity for the sake of merging it with a colorless compromising Presbyterian nondescript?

In other words Sir Robert Perks knows very well that if a vote were taken to-day at least 75 per cent of the Presbyterians in Canada would not go into this union. I will give another instance. I have here a letter from a Methodist lady who writes as follows:

> To the Editor of the Chronicle:
>
> Sir,—I have read with interest the argument of Hon. D. A. Cameron, Provincial Secretary, against church union. I quite agree with the honorable gentleman that union of the churches means destruction of the Presbyterian Church in Canada, and with him I do not believe that Christ meant the destruction of the different churches and their doctrines when He spoke of unity. For does the same thing not apply to other churches as well as to the Presbyterian? The Methodist church, of which I am proud to own myself a member would be destroyed, too. There are in this church as good doctrines, sacred rites and as true heroes as in any church. The Tree is Christ, the churches are the branches of that tree and each has its own particular function to perform. The sainted John Wesley would rise from his grave in protest were the Methodist church to be swallowed up in a Union church. I cannot see what good can come of it.
>
> Mrs. Stewart MacLean.
>
> Londonderry Station,
> March 31, 1924.

Mr. MACLEAN (York): Could the hon. member tell the House whether John Wesley was a Methodist or not?

Mr. DUFF: Will the hon. member for South York answer the question himself?

Mr. MACLEAN (York): He was an Anglican.

Mr. DUFF: This letter is signed Mrs. Stewart MacLean of Londonderry Station, Nova Scotia.

Mr. McMASTER: In Lunenburg county?

Mr. DUFF: No, Colchester county. There are many Methodists in Lunenburg, and they are the largest denomination in my constituency but they are quite willing to remain in their own church, and would rather do that than go into the union. Not only are the Methodist women opposed to this union, but we must remember that in Canada to-day there are at least 100,000 women in the Presbyterian church who are not only opposed to union—that is as far as going into the union themselves is concerned—but are determined to carry the fight to a finish.

Mr. HALBERT: Are they old maids?

Mr. DUFF: I am sorry to hear that question asked. I think the hon. member had better withdraw it. It is a foolish remark to make. These 100,000 women are determined to carry on this fight. They are not going to give up their church. They have fought for their church for years. They have kept in it, and have taken more interest in it than the men, and no matter what parliament does or what the courts decide, these women are going to maintain the Presbyterian Church in Canada.

Mr. THURSTON: Are there any women in the Presbyterian church in favour of the union?

Mr. DUFF: Yes, my hon. friend knows without asking that there are a number of women in favour of the union; they have a perfect right to their views; they have a right to join any church they want to join, and the other women and myself have no objection to that. I say there are 100,000 women determined to stay in the church, and despite what parliament or the courts may do they are going to stay there. With regard to the amendment moved by the hon. member for Lisgar, it must be remembered that when this amendment which has been embodied in the bill was passed and the bill was reported to the House, the chairman, the senior member for Ottawa (Mr. McGiverin) presented the report in the following words:

> Your committee have considered Bill No. 47, incorporating the United Church of Canada, and have agreed to report the same with amendments.
>
> Your committee have found it advisable to amend the preamble of the said bill so as to indicate the reason for some of the amendments which were made to the provisions of the bill.

This House accepted that report. In other words they accepted Bill 47 as amended by the committee. If that is the case, what is the usual parliamentary practice with regard to private bills reported from committee? In the first place in Beauchesne's Parlia-

mentary Rules and Forms I find that instead of moving an amendment, as the hon. member for Lisgar did, the bill should be referred back to the select standing committee. It is most unusual to alter a report from a select standing committee. At page 208 of Beauchesne's Rules and Forms, we find rule 712, which reads as follows:

> It is the correct course, in all cases where it is necessary to make material amendments, to refer the bill back to the select committee, to which it had been previously sent, instead of considering the proposed changes in committee of the whole.

Here is what I find in May's Parliamentary Practice, at page 738:

> No amendment may be proposed, which could not have been proposed in committee without an instruction from the House.

Bourinot, at page 617 says:

> It is very rarely that the committee of the whole on a private bill will interfere with the bill as it comes from a select committee.

That quotation is from Todd's Private Bill Practice, 101-103. Then I refer to Todd's Private Bill Practice, 1862, page 69, where I find the following:

> A bill after it has been reported, may be referred back to committee, but this is very rarely done.

At page 72 he says:

> It may be well to remark here that while it is of course, competent to the House to amend or reject any bill after it has been reported by a select committee, and to amend or reject any amendment agreed to by the committee, practically this right is but rarely exercised.

I think I have proved that my hon. friend's motion is not in the proper form, and if a very serious injury has been done the promoters of this bill it might have been in order for him to send the bill back to the select standing committee. I contend no injury has been done the promoters of the bill. In fact my amendment protects them just as much as it protects the opponents of the bill who want the matter referred to the courts. Now, Mr. Chairman, I think the promoters of the bill should have followed the advice of the Montreal Witness. That paper is edited by John Dougall, and, if I am not very much mistaken, he is a real good Methodist. An hon. gentleman says he is a Presbyterian. Well he may be a Presbyterian, but I am sure he is a Methodist. Both religions are all right. I thought he was a Methodist. The hon. member for Brome agrees with me. Here is what the Witness says:

> Yet all this was thrown open to parliamentary inquiry by the construction of the bill itself, which had appended to it a confession of faith and, strange to say, challenged parliament to ratify the same. Thus the charge of failing to grasp the issues applies not only to the floundering of newspaper- correspondents, or to the bewilderment of members of parliament before whom old theological or rather philosophical perplexities were thus gratuitously thrown, but to wise people behind the bill who put the cart before the horse in asking parliament to constitute a church and to stereotype its creed, as being to all appearance, in their view, a necessary step to union.

If a man like the editor of the Witness gives this kindly advice to the promoters of the bill, and says that they have evidently drafted a very bad measure, it seems to me the proper procedure for this House is, as I suggested, or as proposed in my amendment, to withdraw the bill and redraft it as it should have been drafted, and give everybody a fair and square deal. But Mr. Dougall goes on:

> What the churches ought to do at once is to begin over again, proclaiming their union. It may be possible even yet to rid the bill of these mischievous features and get it passed. Should that fail at this session, a new and simpler bill should be drawn up, disposing of the properties for parliament to act upon according to its wisdom and sense of equity. As revealed in the discussion, the present bill looks as though it had been drawn up by some one who had not got rid of the old world notion of a state church.

Will the hon. member for Lisgar (Mr. Brown) listen to this:

> As revealed in the discussion, the present bill looks as though it had been drawn up by some one who had not got rid of the old world notion of a state church, for which people of all religions and none, and of all moralities and none, would determine how it should worship and what it should believe.

I do not think for one moment that the bill was drafted by someone who had not got rid of the old notion of a state church. I would take the other view and say that the hon. gentleman who had most to do with drafting this bill had in mind something to do with a state church or a church which should come to parliament year after year and say what parliament should or should not do. I contend that the Presbyterians in this country who are fighting to remain in their own church are fighting the battle of religious liberty for all the churches in Canada. For if parliament, on an eight-year-old vote of less than one-third of the Presbyterian membership, should blot out their church, and make that entire membership, however unwilling, members of a new and different church, taking away their religious liberty, then next year parliament might do the same to any other church. There would be no safety for any church, and no assured religious liberty for any member of any church.

To have a great church thus blotted out by act of parliament, and its entire membership, however unwilling, made members of another church and compelled to remain there or go

out homeless on to the street, their church gone for ever, would be religious coercion unknown in the history of free peoples. Let all change who wish, but keep Canada free.

Further, Presbyterians are fighting the battle of civil rights for all people of Canada. For if parliament, on an eight-year-old vote of less than one-third of the Presbyterian membership, should confiscate all trusts held by that church and should divert these trusts to other control, then parliament might, in the same way, divert all trusts held by any society or church, for educational, benevolent or religious work of any kind, to any who might ask for them, a thing which no government, in a free country, has ever done, and which would make Canada's statutes and laws no protection to her people. These two great wrongs, wholesale coercion and confiscation are the chief features of the church union bill.

What would be the result of such wholesale coercion and confiscation? It would mean the denial of religious liberty and civil rights to a great body of the Canadian people on the demand of some other people. It would mean life-long bitterness and resentment on the part of that great body of the people, against such unjust coercion and wrong. It would mean the breaking up of the Presbyterian Church in Canada, which has ever stood for liberty and good citizenship. It would mean a lessening of that religious life and work which is the safeguard of good morals everywhere, for if people are not free there cannot be the same free effort. It would mean less incentive for any to organize for the good of their fellow men, for to-morrow, on the demand of some one, within or without, their organization might be wiped out by act of parliament. It would mean fewer men and women leaving their money in trust, to carry on their good work when they are gone, for they would have no assurance that it would be used in accordance with their intention and will. It would mean no safety for any institution, school, hospital, asylum or church, depending in any measure upon trust funds. It would mean that this new incorporated combine, born of coercion and confiscation, and claiming the right to coerce and confiscate, would in future, be a menace to the freedom of statesmen and parliaments in their efforts for the well-being of our country.

So far as I am concerned and so far as many other people are concerned, we have no idea of saying that a bill to incorporate the United Church of Canada should not pass this parliament. If the Methodist church is desirous of forming a united church and entering union, it has a perfect right to do so. If the Congregational church desires to become part of that United church, it has also that right. We are willing to give it to them; but we say: If there is a small minority, or a large minority in the Presbyterian church who are opposed to that union, this parliament should not put anything in their way to prevent them from getting their just rights, and allowing them to worship under their own vine and fig tree and the church of their choice.

I say, in closing, that the amendment which I moved and which was adopted by the committee is a very simple one. It protects the rights of all Presbyterians, whether they are anti Presbyterians or union Presbyterians or those Presbyterians who want to remain in their own church. The amendment refers specifically to the action which is in the courts at the present time. Consequently, in view of the fact that that suit is referred to and that action is going on, my hon. friends, who are in favour of union and who think that the Presbyterian church should go in as a whole church, if they believe that the Presbyterian Assembly and the courts of the church have power to do the right and proper thing, have nothing to fear from my amendment, nothing to fear from the courts, and, therefore, they ought to be fair and reasonable and allow the courts to decide whether the Presbyterian church has the constitutional right or not.

Mr. HERBERT MARLER (St. Lawrence-St. George): It is my intention to support the report of the committee that has examined into this bill. Perhaps that statement might be quite sufficient without any discussion whatsoever of that report; but as I am adverse to giving a silent vote on such an important matter as this bill is, I desire to give certain reasons why, in addition to others, I intend to take the course I have stated. What does this bill propose to do? It proposes possibly one of the most momentous movements which have ever taken place in the Dominion of Canada. It proposes to unite three great religious bodies, the Presbyterian church, the Methodist and the Congregational church. Each of these bodies has millions of adherents; each has traditions which many of those self-same adherents hold sacred, just as other religious bodies have traditions which they also hold sacred. Certain petitioning churches come forward and say that these three religious bodies shall be united together under the name of the United Church of Canada. I do not question for a single moment the good faith of those gentlemen, ministers of the gospel, or of those church members who desire a united church. I admire

their sincerity, their ambition; I have not the slightest doubt that there are many good and valid reasons why unity should take place in religious matters as well as in any other.

But, on the other hand, we have been told, and told with great distinctness and clearness, that although these gentlemen come forward and promote this bill and desire to have a united church of those perhaps in the majority, there is a great minority who oppose this bill being put forward in the shape as originally drafted,—not in the shape as it is now before this committee. I think it is perfectly safe to say that that minority as existing in the various churches, principally in the Presbyterian church, is imbued with precisely the same spirit of religious tolerance, the desire to do the right thing and to preserve traditions, as imbues the other great majority who desire this bill to be passed into law subject to the amendment moved this afternoon by the hon. member for Lisgar (Mr. Brown). Surely the rights of these minorities must be considered. They are a large body; they have large property rights. And, coming as I do from the province of Quebec, I am urged, perhaps, as much if not a little more than others coming from other provinces are urged, as regards the protection of the rights of minorities.

I happen to be one of what are known in the province of Quebec as "separated brethren;"—in that province we do not admit that there is any such thing as a minority at all; we proceed in our ordinary way of life, in our relationships, in the prosecution of our daily affairs, with a feeling of certainty that whether we be French Canadians or English Canadians our respective rights will always be respected no matter what may happen. Perhaps, therefore, I am imbued a little more than others with a strong regard for minority rights, having been brought up from my earliest youth, inculcated and steeped, in the desire to see those rights in all cases protected. And, after all, what are we here for in this House of Commons? Are we here always to put forward the rights of majorities? Are we not here equally for the purpose of protecting the rights of minorities? Are we not here for the purpose of seeing to it that such rights, whatever they may be, good, bad or indifferent, shall be given a fair hearing and a fair reading in any bill which may be brought down before the House?

Mr. BIRD: Will the hon. member go a little more into the question as to what constitutes the minority in this case and as to what are the rights of that minority as he conceives them?

[Mr. Marler.]

Mr. MARLER: Yes. I am speaking of the minority interest in the bill as originally brought down. My hon. friend who interrupts me must bear in mind what I stated at the opening of my remarks, that I intend to support the report of the committee. In my opinion the report of the committee on the bill as now brought down in its amended form does to a certain extent at least help the minorities and does in some measure guard the rights of the minority interest. It is true that the bill as brought down does not guard all minorities, but it does guard what are known as congregational majorities; that is to say, under section 10 of the bill, any congregational majority before the bill becomes law may decide not to enter into the United church at all. But some say that all these churches should come in. My hon. friend from Lisgar (Mr. Brown) spoke about the rights of the Congregational church, the rights of the Methodist church, and the rights of certain Presbyterians. I do not for a moment deny any of these rights; I do not deny the good faith of any of these bodies who come forward and state that the churches might do better going forward as a united body. But what I do say, and what I desire to impress on the House, is the importance of considering this question: Had the Presbyterian General Assembly the right to bind the Presbyterian church, as it did attempt to bind that church, and to come forward as one of the promoters of this measure? That alone is an exceedingly serious question; it is a point which I for one feel entirely incompetent to answer. It is a legal and constitutional question which has been debated by the very best counsel in the length and breadth of the country. Some say that the General Assembly of the Presbyterian Church in Canada had the right to bind the church, and others declare that it had not. Can we in this House decide for ourselves which side is right and which is wrong? Can we, with our knowledge of law, state that those who hold that the General Assembly had the right to bind the Presbyterian church are correct in their view?—or, on the other hand, that those who hold the opposite opinion and declare that the General Assembly had not the right so to bind the church, are right? I do not think we can very well decide the question; the point is a legal one and involves many complications; and for us in this House to assume the great knowledge of constitutional law and of the technicalities of this question which it would be necessary to possess in order to decide the matter satisfactorily is a position which I for one do not propose to assume.

Now, what was done? Those who desired the amendments placed in the bill came forward and said, "We are not opposed to the United church; we are not opposed to having the bill go through. We desire to see unity in religion as in all other matters. But we do say that there are a great number of Presbyterians in Canada who are not of this opinion and that the Presbyterian General Assembly had not the right to bind the whole Presbyterian church. We therefore ask that these matters be submitted to the courts and by them decided". My hon. friend from Lisgar stated that he doubted very much whether the civil courts would make any other declaration than did the Presbyterian General Assembly. If that is the case, what do those who are in favour of the bill fear? Do they fear a slight delay? Is a matter of a few years going to make much difference in this great movement?—one of the greatest movements that have ever taken place in Canada. Is there any harm in waiting a short time until the constitutionality and the legality of the measure, and the right of the Presbyterian Assembly to bind the Presbyterian church, are decided on by authority in regard to whose competency there can be no doubt whatever? Is that an unreasonable attitude even for one who is not a member of any of these petitioning churches? Would it not be more unreasonable for me to say that these churches shall be amalgamated and shall go forward as a united body, while I myself know nothing about the constitutionality of the matter, whether the power rests in this parliament to pass the bill, or whether it is legally competent for the General Assembly of the Presbyterian church to act in such manner as it did? It seems to me there can be no question at all about the course which is wisest in the circumstances; there can be no question in the mind of any hon. member who, like myself, desires to view the matter in a purely impartial and fair spirit, that it would be very much better not to put a measure through a House constituted as this is, but rather to place the whole subject before the courts of highest authority and obtain their decision upon it. And that is all that is asked. That being done the act can come into effect, and then the whole question is settled without further turmoil or any necessity to resort to parliament.

5 p.m.

There is another question which has borne upon my mind and which to me at least is of very great consequence. Indeed, it is of consequence to me inasmuch as I have been brought up in the province of Quebec to regard as sacred those dispositions made under wills or donations in favour of any religious sect or any religious institution. I do not say, of course, that they are never changed; I do not say that the legislature of the province of Quebec never makes any such changes. I do not say that in Quebec we are bound altogether by what has actually taken place under wills or under donations; but I think I can say without fear of contradiction from any member from the province of Quebec that our legislature hesitates to change any bequest made in a will or under a donation. If the amendments as brought down are not adopted, if the report of this committee does not carry, the result is to affect large donations made under deeds in the province of Quebec in a form surrounded with all possible solemnity, a form peculiar to the province of Quebec and in accordance with its laws. Donations of this kind have been made to the extent of hundreds of thousands of dollars—I might even say millions—under wills and in the form of such donations as I have described. I wish again to emphasize that this is one of the essential reasons why the report of this committee should be adopted; it guards at least in a measure against any casting aside of the wishes of those who are dead and gone, wishes specifically stated in writing. Surely we should respect those wishes to the fullest possible extent. Take, for example, a donation made by one of our most prominent citizens of the city of Montreal, the late Mr. David Morrice, with whose name is connected the David Morrice Hall and Library on McTavish street in that city. Under the solemn form peculiar to the province of Quebec he stated—I have here an extract from the donation—that he gave to the Presbyterian College of Montreal the David Morrice hall and library, valued at the time of the donation at certainly not less than $100,000. Under similar donations there have been given to the same hall and library by other prominent citizens of that city amounts which run into a total of about half a million dollars. Under what terms was this donation made? What did the donor wish to have carried out? He stated clearly that the donation was made to the Presbyterian College of Montreal for the particular purposes of that college. There was no ambiguity about it; there was no uncertainty as to what he intended. The Presbyterian College of Montreal was a body incorporated under the legislature existing under the old Act of Union of Canada. There was no doubt when this donation was made what the Presbyterian College of Montreal was intended to teach; no doubt as to what this donation was to be used for. The act is definite and express in its terms. I read

from "The Public Statutes Relating to the Presbyterian Church in Canada," published in Toronto, Canada, 1879. The Act to incorporate the Presbyterian College was assented to on 18th March 1865, and it states:

> The Presbyterian College of Montreal shall continue to be a body corporate, with perpetual succession, and a common seal, and with the powers vested in corporate bodies by the Interpretation Act, and also with power, under the said corporate name, and without license in mortmain to hold and to purchase, acquire, have, take, and enjoy by gift, grant, conveyance, devise, bequest, or otherwise to them and their successors, any estate or property, real or personal, to and for the use of the said college, in trust for the promotion of theological learning and education of youth for the holy ministry, under the authority, and according to the principles and standards of the Canada Presbyterian church aforesaid.

That is stated in the preamble of the act. That is one of the reasons why the Presbyterian College of Montreal, was incorporated. The act goes on to say:

> It shall be lawful for the synod of the Canada Presbyterian church at its next ordinary meeting after the passing of this act to declare by resolution or a by-law to that effect and record in the register of proceedings of the said synod—

I will not read the whole section, but it goes on to deal with the rules and regulations under which this property shall be held. Later the synod did adopt rules and regulations relating to the Presbyterian College of Montreal. They also stated—I am reading from page 163 of the same publication:

> That the principles and doctrines to be taught in the Presbyterian College of Montreal by the professors and tutors, or other persons who shall from time to time, and at all times hereafter, be employed or appointed in giving instruction in the said college shall be such and such only as are consistent with and agreeable to the "Confession of Faith," the "Larger and Shorter Catechisms," and the "Form of Church Government," all of which are called "The Westminster Standards," and shall comprise all theological learning consistent with the said standards.

It is only fair to say that in the same section there is a provision which gives the right to deviate somewhat from those standards, but those deviations can only be taken in matters of direction, not in matters of doctrine. The act makes it abundantly clear that the teachings in the Presbyterian College of Montreal shall be in accordance with this act of incorporation, which teachings are distinctly laid down as based upon the Westminster Confession of Faith and the regulations of the synod.

Mr. HOEY: When was that donation made?

Mr. MARLER: On the 28th of November, 1882.

[Mr. Marler.]

Mr. HOEY: The hon. member is aware, I suppose, that that college is being used for the education of men who intend to enter the ministry of the three churches, for several years?

Mr. MARLER: The college is being used as all other theological colleges in Montreal are being used, namely, for the education of those who desire to enter the ministry in a number of churches. My hon. friend probably has in mind the fact that students of the Montreal Diocesan Theological College also attend that college and that Presbyterian students also attend the Montreal Diocesan Theological College. But on essential questions of doctrine these students are taught separately.

Mr. BIRD: When was the college originally founded?

Mr. MARLER: I do not know. I am not speaking about the foundation of the college.

Mr. BIRD: If the founding of the college dated back some considerable time before that donation was made, that would be important.

Mr. MARLER: I think my hon. friend has altogether missed the point. I was pointing out that under a donation made in 1882—and I am only citing it as an example—the late Mr. Morrice specifically gave the Presbyterian College of Montreal certain properties, valued roughly at $100,000, for the purposes of the act incorporating the Presbyterian college which I have just read.

Mr. BIRD: The statute to which my hon. friend referred dated back to 1865, did it not?

Mr. MARLER: Yes.

Mr. BIRD: And it laid down the trust to which this donation was made?

Mr. MARLER: That does not affect the situation.

Mr. BIRD: What effect had the union of 1874 and 1875 upon that trust?

Mr. MARLER: I would say, no effect whatsoever in any way. That was not a case of union of the Methodist and Presbyterian churches. There may have been a union of certain Presbyterian bodies, but the essential doctrine was not affected.

Mr. BIRD: Did that union of the three Presbyterian churches in 1874 and 1875 have no effect on the original trust?

Mr. MARLER: Exactly the same doctrines were taught.

Mr. McMASTER: They were all supposed to adhere to the Westminster Confession.

Mr. MARLER: They all adhered to substantially the same doctrine. I am not giving this in a spirit of hostility at all; I am simply stating points of fact which appear clearly on the face of these proceedings, namely, that donations were given for the propagation of certain articles of faith.

Mr. CRERAR: If I understood my hon. friend, a bequest was made to the college in question on condition that certain doctrines should be taught in that college. Am I correct in that?

Mr. MARLER: Yes.

Mr. CRERAR: Adherence to the Westminster Confession of faith, for instance, was one of the conditions of the bequest? Am I correct in that?

Mr. MARLER: Yes.

Mr. CRERAR: If that is so—

Mr. MARLER: May I interrupt my hon. friend so that there will be no misapprehension on this question? The actual donation in question does not state what doctrine shall be taught. It is given to the Presbyterian College of Montreal, a body incorporated under a particular act, which I have read. That particular act refers to what shall be taught at the Presbyterian College of Montreal. In other words, you have to read not only the donation but also the act of incorporation, as well as the regulations which the Senate of the Presbyterian Church in Canada brought down after the incorporation of the Presbyterian college itself.

Mr. CRERAR: Very well. I think it is generally admitted by all parties that the Presbyterian church has the right to change its basis of doctrine; that in that matter it is supreme. If that is true, and it should change its basis of doctrine, what would be the position of the bequest my hon. friend refers to?

Mr. MARLER: Has the Presbyterian church changed its basis of doctrine?

Mr. CRERAR: It has the right to do it, and supposing it did do it, what would be the position of the bequest?

Mr. MARLER: Has it the right to do it?

Mr. CRERAR: I do not think that is denied.

Mr. MARLER: In what way has it the right to do it? I understand my hon. friend's question to be this: If the Presbyterian church did change its basis of doctrine, what would be the position of this donation? Now if the act was put through as originally framed, this donation would go in with the rest of the property, because the act distinctly cites the Presbyterian College of Montreal. Parliament can certainly do that. But the point I am making is this, that unless the power of the Presbyterian General Assembly to bind the Presbyterian church is certain and distinct —and the only way it can be made certain and distinct, as far as I can see, is by reference to the courts—the terms of this donation should not be altered. Once the courts decide that the Presbyterian General Assembly have the right to bind the whole Presbyterian church, it follows without the slightest doubt that this donation would then be merged in the United church. Have I answered my hon. friend to the fullest extent he desires?

Mr. CRERAR: Not very clearly.

Mr. MARLER: I am sorry I cannot convince my hon. friend, but there are other matters on which I cannot convince him, as he is very well aware.

That is the situation, Mr. Chairman, without any doubt as regards numerous donations, and I have only quoted one. I repeat again, I do not make any argument or cite this donation in any spirit of hostility, but merely for the purpose of definitely and absolutely citing facts which do exist, and which, it seems to me, would be fully covered by the amendments which are brought down in this amended bill.

There is one other point which I desire to urge. I think that under our parliamentary practice a report of a committee, is as a rule —not always—accepted by the House of Commons. There is a reason for that, and a very good reason. Committees are appointed for the purpose of hearing witnesses and going into all the facts of the case fully, and understanding the situation far more thoroughly than can possibly be done by members in this House assembled. I think that is admitted. Various authorities speak on that question in no uncertain terms. I have here The Government of England by A. Lawrence Lowell, a man of very great note, a professor of the Science of Government in Harvard university. At page 265 of volume 1 of this book this point is brought out very clearly. The author clearly states that the actual reason in parliamentary government for committees, great and small, is for the purpose of

sifting the facts, for the purpose of understanding the situation, for the purpose of bringing forward into the House itself a measure which has been thoroughly digested, so that the House would only have to decide on the main issues. That idea is also borne out by many other authorities. Therefore I repeat, that for us to attempt amendments in a bill of this description means that we would be making amendments the full effect of which it would be utterly impossible for us to understand, amendments which would be of a most far-reaching character, amendments which possibly do not harmonize with other parts of the bill, amendments which without hearing witnesses and counsel it is impossible for us fully and properly to digest and understand. For those reasons it seems to me that we should be prepared to accept the report of this committee. As far as I am concerned, for the reasons which I have given, I intend to vote for the adoption of the report as now brought down.

Mr. R. J. WOODS (Dufferin): Mr. Chairman, I think we are discussing one of the most important measures that have come before parliament, at least, in my parliamentary experience. I was surprised at some of the arguments the hon. member for Lunenburg (Mr. Duff) brought forward in his address against the amendment that has been proposed by those advocating union. The necessity for a united front has been insisted upon. It has been argued that there should be absolute unanimity before such changes as are contemplated here are carried into effect. Let me point out that such a demand is not customary—is quite unusual—in connection with the proceedings of any organization. We believe in majority rule in this country; it is the principle which obtains in connection with the management of every organization whether of a religious, a social or a political character. Majority rule is the rule which prevails and absolute unanimity is rarely demanded. So far as the present bill is concerned it has not been opposed by the Methodist church, the Congregational church, or the United committee. Hence we must assume that the measure is satisfactory to the various churches interested. The movement for unity has involved considerable time, anxiety, labour and expense. The changes embodied in the bill are the fruition of strenuous efforts and of the deliberations of the best minds in the several churches identified with the movement. These churches now come to parliament and ask to be incorporated in the United church. The hon. member for Lunenburg (Mr. Duff) sought to argue that the United church was taking something away from the Presbyterian community and that there was practically no recognition of the rights of those who dissent to union. My reading of the bill convinces me that ample provision is made for the protection of rights of minorities. Dissenting churches need not enter union if they do not so desire, and six months is granted to them before the bill comes into operation in which to determine whether they shall go into union or remain out. If they do not enter union they will receive their proper share of the church assets. The opponents of the bill are asking that the measure shall not come into effect until an opinion has been obtained from the courts as to its constitutionality. That demand comes from a small minority only. The wish of the majority is that the legislation asked for should be enacted. The United church is asking for incorporation by parliament. That is no new thing. The Methodist church came to parliament for incorporation in 1884. The Presbyterians came for a similar purpose. The Orange society and other bodies came to parliament for incorporation. All the United church is asking for is the right to transact its own business through its own organization. Parliament is not asked to decide any questions of doctrine, or church polity or church government. All the United church asks for is the right to legally transact its own business, and it seems to me we have no right to tell it to go to the courts for a decision. In my opinion parliament would be acting wisely to say to the supporters of this bill, "We will give you the right, as a United church, to carry on your own affairs and transact your own business." To adopt any other course would be virtually dictating to the United church what its course should be.

Mr. T. W. BIRD (Nelson): The opponents of this bill are making a direct challenge to the right of a Christian church, a religious organization, to exercise its corporate authority in matters of doctrine or church government. The many objections which those who represent the opponents of the bill in this House have presented are just so many variations of that basic position. Whether they talk of the rights of minorities or of breaking trusts or of the significance of votes, or in whatever other manner they chose to express their grievances, it all comes back to this primary proposition: That an organized, religious body has not the right in these respects to exercise its corporate

function. That is a very serious proposition, and goes right to the very structure of voluntary churches as we have conceived of them up to the present time. As individual members of this House, we may with perfect legitimacy hold our own views as to the justice or historical truth of the various internal arrangements that are adopted by different churches in this country. It is within the rights of every one of us to hold our personal views as to the character of the principles on which the various churches have constituted themselves; but in our collective capacity to assume the role of an ecclesiastical court of appeal and to sit in judgment upon these matters is a very different thing in my conception, Mr. Chairman. If this parliament is going to take unto itself that function, I say it strikes at the very foundation of church economy. It strikes at the very principle of cohesion that binds the voluntary church together, and in so doing, if, whether mistakenly or otherwise, it presumes to do that, I believe that, without intending it, it will open up a vista of ecclesiastical recrimination which every Canadian honestly shrinks from. As to this right of the churches irrespective of the principle of their constitution—I do not care what the principle of that constitution may be,—as it happens we are dealing now with a church which is based upon the Presbyterian system,—it is a serious thing for that church to admit for one moment that any exterior authority can step in and dictate to it as to the wisdom, as to the justice, or as to the truth of that principle.

Mr. McMASTER: Does the hon. member go so far as to state a legislature would not have the right to restrain a church that was endeavouring to treat a minority with real injustice? I am asking the abstract question. I am not saying whether the bill is just or not. I want to know if the hon. member carries that proposition as far as he appears to carry it.

Mr. BIRD: I will go so far as to say that this House of Commons might very well be left until such a situation arises, and I think if it did arise at any time it would be settled in the wisest possible manner. But we are dealing at the present time with a totally different situation, a situation which I have taken for granted is straightforward, in which one of the prominent churches of this country, united with others, has petitioned this House, in accordance with the constitutional principles that govern that church, for a certain measure that commends itself by an overwhelming majority to the minds of this country. I was proceeding to say that it is a very serious thing for any church to admit for a moment the right of any exterior authority to trespass upon this sacred ground, and I will go so far as to say that this right, which has been a very contentious one throughout the centuries, is no mere right to follow the prescribed routine of any written constitution. It is the right of the church to adapt itself to its environment in time and in place, and there is not a church on this continent which at bottom does not claim that right to the very last letter. How else could a church exist if that right were taken from it? It could not exist. The law of organization is the same as the law of natural organisms. They can only live in the truest sense by adapting themselves to the circumstances in which they find themselves. If the hon. member for Lunenburg (Mr. Duff) could succeed in his attempt to bind the Presbyterian Church in Canada to the standards that were proved to be good and necessary in the seventeenth century in the Kingdom of Scotland, he would forever condemn that church to inaction, and in my judgment if we are to follow his advice, we may as well at once assign the Presbyterian Church in Canada a place alongside those huge fossils which adorn our National Museum at the foot of this street. Those relics of the prehistoric times ceased to exist and became fossils because nature deprived them of their right to change their constitutions, and that is what the hon. gentleman would do with respect to the Presbyterian church in Canada.

Mr. McMASTER: He is an Anglican anyway.

Mr. BIRD: You can confer upon him all the honours you choose. There is one surprising thing which I find on inquiry, namely, that many hon. gentlemen who are leading in this matter of church union shrink from carrying out the logic of their position with regard to themselves personally. They would bind the church to antiquity, but they themselves would move abreast of the times. They dance along to the lively measures of German criticism, and all the most up-to-date views that can be expressed in the theological realm. Yet, at the same time they would bind their lowlier brethren down to the more staid, but not less worthy, music of the simple oaten pipes of John Knox away back in the seventeenth century. I do not understand the position of these gentlemen, leaders in this movement against union, these men who would bind burdens grievous to be borne upon their fellow Christians and who yet refuse to touch those burdens with their little finger. I cannot conceive where the integrity

of conviction comes in. It reminds me of the position of those Roman patricians who sacrificed to the ancient deities to meet the opinions of the common herd, but who in private conversation poured contempt upon those things. I do not think that any of those gentlemen are prepared to carry out the logic of their situation to its final issue. We admire the seventeenth century. There is no century in the annals of Anglo-Saxon history which is more admirable. There is something about its atmosphere which is always beautiful to contemplate. But we cannot go back to the Scotland of that time. Providence has placed us in Canada in the twentieth century, a totally different century and a totally different place, with its own problems and its own necessities. Providence has laid it upon us as living, active people to meet those problems as best we know how.

If I may, perhaps, take the discussion into rather a different realm, in dealing with a question of this kind, I should like to deal with those interior and intangible forces which have gradually produced the movement which to-day is held in question. I do not for one moment hold light the fundamental motives of those who are opposing us on this question. Undoubtedly, they are sincere; but those who undertake to oppose a movement in the direction of religious reunion are in a very difficult situation as compared with those who are putting their energies behind a movement such as that. Surely the stars in their courses are arrayed on the side of those who are bent on overcoming the non-essential differences that exist between religious peoples in this country and in any other country in the world.

In the preamble of the bill, in very solemn and earnest language, it is stated that this petition is the outcome of a profound sense of religious obligation directed by what they term as the expressed will of the Almighty Himself. A statement of that kind is very difficult to gainsay. Ever since Apostolic times, Christians in all countries and all ages have refused to part with the aspiration of ultimate Christian reunion. That has obtained through the centuries. It has been opposed only by little, exclusive, insular, out-of-the-way sects at any time or in any age. There is no church in the history of Christendom that has not, throughout its history, maintained that bright dream before its mind. How otherwise could it be when you understand the fundamental character of our common faith? This movement is based on a universal conviction in the hearts of religious people of all denominations, of all sects, of all countries. Not only is there the force of an overwhelming conviction behind this movement, but there is the impetus of a historical movement that is world-wide in its scope and irresistible in its career. Ever since in Great Britain a hundred years ago the final seal was laid upon religious liberty—and I would take your minds back to that period and the period of conflict that preceded the final triumph of religious liberty—the course of Christian reunion has gone on unhindered. In Great Britain itself the movement has not been so speedy as has been the case with other movements in that country, but union proceeded slowly and, maybe, fitfully until the Great War itself came on and gave a new impetus to it. Christian union since the Great War has been one of the most vital issues in British public life. In Canada ever since the time I referred to, this movement towards Christian reunion has gone on steadily and with gathering volume.

If you take the family tree of any one of those united churches, you will be amazed to see of what it is the product, of all the different converging lines of ecclesiastical traditions that come together in each of those churches. Those ecclesiastical genealogies themselves are proof to any reasonable mind that this movement with which we are dealing this afternoon is one that has its roots away back historically, and that it has gained upon the convictions of Christain people a hold which cannot be wrenched away. This movement has not only an unconquerable conviction behind it—and I would remind the committee that is a very important statement of mine, but it is true—but the impetus of an historical movement that is written plain right over the history of the British people.

More than that, I believe it appeals to the common sense of the Canadian people. They tell us that when we adduce instances of previous unions, which to me are in no sense different from this union, they were unions of similar churches, of churches with similar doctrines, similar polity and so on. Let that be granted. Then we appeal to the common sense of the Canadian people and say: What is this union but the union of churches with similar doctrines and similar polity? I should like the committee to apply whatever fair test they would wish to apply to the situation. I would ask the hon. member for Lunenburg on Sunday to go to a Presbyterian church in the morning and a Methodist church in the evening. Let him go in the morning to Knox Presbyterian church, where the pastor

is a prominent anti-unionist, and in the evening to the Dominion Methodist church where the pastor is a prominent unionist, and let him come back and tell us wherein the difference lies.

Mr. DUFF: I do not need to go to either of these churches, but if I were a young married man with three children I should like them to go to a Sunday school and I should want to know whether, if this union bill is passed, the Shorter Catechism would be taught in any Union Sunday school.

Mr. McMASTER: It is not taught in many of the Presbyterian Sunday schools now.

Mr. BIRD: I was interrupted while the hon. member (Mr. Duff) was putting his question. He did not accept my suggestion, and I suppose the reason therefor was the gist of his remarks.

Mr. DUFF: The hon. member said that if I went to Knox Presbyterian church in the morning and to the Dominion Methodist church in the evening I should not know the difference in polity or doctrine between the two. I said that if I were a young married man with three or four children I would want to have them attend a Union Sunday school; and the question I asked was whether if this bill were passed the Shorter Catechism would be taught in that Sunday school.

Mr. BIRD: The question reminds me of the story of the little child who begged its mother for an egg. The mother beat the egg and put it in a pudding and when dinner time came the little girl cried and asked her mother where the egg was.

Mr. DUFF: That is not an answer to my question.

Mr. BIRD: We will change the figure; perhaps the test is too hard on the hon. gentleman himself.

Mr. DUFF: You cannot answer my question.

Mr. BIRD: Let me put it another way. What is the difference between the doctrine of a Methodist minister who is taught in a Presbyterian college and that of a Presbyterian minister who is taught in a Methodist college?

Mr. DUFF: My hon. friend being a Methodist does not know what the Presbyterian colleges teach. But before I answer his question will he answer mine? He deliberately put a question to me with regard to the respective churches. Will he be good enough to say whether the Shorter Catechism will be taught in the Sunday schools of the United church?

Mr. BIRD: No, and it is not taught now. The children of Presbyterians and Methodists are taught with the same literature issued by the same printing press at the present time.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BIRD: When the committee rose before dinner I was proceeding to show that the attitude taken by the opponents of this bill was a very serious one, having regard to the right of any voluntary religious organization to exercise its corporate authority. I went on to say that the movement which had given rise to the bill sprang from motives deep in conviction and almost universal amongst religious people in this age and was the outcome of an historical movement dating back quite one hundred years, if one considers only the modern phase of it. It is a movement which commends itself, as I was pointing out, to the common sense of the Canadian people, because there is practically no difference between the churches united; in every important sense they are already one. At that point I was interrupted by the hon. member for Lunenburg (Mr. Duff) and I was doing my best to convert him from the error of his ways. I will admit that the effort was somewhat discouraging.

Mr. DUFF: Did you unscramble that egg yet?

Mr. BIRD: I was proceeding to enlighten the hon. gentleman in regard to the doctrinal similarity of these uniting churches. I will turn for a moment from the position taken by the hon. gentleman and give some attention to the views expressed by the hon. member for St. Lawrence-St. George (Mr. Marler). That hon. gentleman referred to the traditional attitude taken in the province of Quebec towards the rights of minorities. I thought at the time he was making that reference that he was departing somewhat from his usual candour in argument, because the sacredness of the rights of minorities is not at the moment concerned. If the rights of minorities were concerned in this issue a good many of us would be as strongly on the side of the minority as the hon. gentleman himself, because the sacredness of the rights of

minorities has been stamped on every fibre of the being of us who have inherited the traditions of the free churches of Great Britain. There is no need to appeal to that sentiment in our nature, because it is indelibly placed there. In times gone by our forbears stood shoulder to shoulder with the forbears of the people of Quebec on this question. So that is not the issue at stake. It is not the rights of minorities that is at issue, but the position of a faction within an ordered community. If the hon. gentleman in the name of the sacred rights of minorities is going to exalt faction above church order, then that is where we take issue with him, and that is where I believe his friends in Quebec will take issue with him. That is simply by way of disentangling the issue.

I wish now to proceed along the lines I had been pursuing, and to say a word or two with regard to the national aspect of this question, because a question which involves such a large proportion of the Canadian people does assume a national aspect. It seems to me that the welfare of our country as a whole is involved in this very matter. I should be making a trite remark if I said that Canada was a difficult country to govern; the statement has been made so often as to become commonplace. But the fact remains that whether you consider Canada geographically or economically, to govern it is the despair, I am sure, of all earnest minded statesmen. Now in this proposition to unite the great Protestant churches of this country we have something that may very well make every patriotic Canadian think. In a country like this I think it is very well indeed that we should lay emphasis upon those invisible bonds which bind us together in spite of distance, in spite of physical obstacle, in spite of sectional points of view, nay, in spite sometimes of economic differences. I think we Canadian people, we members of parliament, ought to lay stress upon these invisible bonds of citizenship which bind people together in spite of sectional differences and divergent points of view. In this proposition to unite the great Methodist church of this country with the great Presbyterian church, including the Congregational churches, you are creating something that is going to weld this country together from coast to coast. Every connectional officer that travels from ocean to ocean will be a living symbol of the unity of Canada, and the message he will take from one end of Canada to the other will be a message of unity.

I would go a little further, Mr. Chairman, and mention a subject which I believe that

every Canadian, whatever his religious affiliation is, has begun to take very seriously indeed. I refer to the flowing tide of materialism that is swamping this country, in common with other countries, from one coast to the other. We may not look at this thing in the same light, and it is not necessary that we should. Sometimes when on the floor of this House we are dealing with moral questions there is a manifest difference of view between, say, myself and my hon. friends over here; but no matter what the point of view is, the thing viewed is the same, and it is a very serious consideration. I have heard sometimes my hon. friends from Quebec, who are of another faith from that of my own, speak very seriously about certain aspects of the moral life of this country, and I have never listened to them except with the greatest of respect, although I may differ from them; and they, in their turn, have listened to me expressing my view as to the moral life of this country, and though they may not have agreed with me in my views, they with me are agreed that the moral life of this country, in common with the moral life of every civilized country, is showing certain marked tendencies which may well cause serious consideration in the minds of all serious-minded citizens. Now what I want to say, Mr. Chairman, is this: Right throughout the length and breadth of this country I want to see a united Protestant church working alongside a united Catholic church, each working within its own sphere, and their spheres are well defined, each working according to its own traditional conception of the problems involved, to maintain as far as they can, and it needs all the effort of both together, in the soul of the Canadian people that reverence for moral sanctions without which no nation can ever prosper. Do not let us bring this subject down to a level where it becomes confused in ancient and petty rivalries. That would be a big mistake.

This is a subject, Mr. Chairman, which while it concerns every patriotic Canadian, concerns primarily I suppose the churches concerned, and it is to be hoped that we as a House will have the greatest possible respect for the expressed will of those great churches, because they have acted in the best interests of those churches; they have acted for their own good. I know it has been hinted, but I think not worthily, that this movement has taken its origin in some overweening ambition on the part of the churches concerned, but I think nothing could be more absurd if you look at the thing fairly. How can this movement which has begun in the spirit of tolerance bear the fruits of intoler-

ance? I think the very opposite will be true. To whom should we, as a parliament, go to ask what is in the interests of the churches concerned? To whom shall we go to settle this question? I have the greatest possible respect for those who are opposed to this bill, but I will tell you, Mr. Chairman, to whom I would go to ask an opinion as to what is for the good of the Presbyterian church and for the good of the Methodist church in Canada. I would first of all go to the missionaries of those churches who are holding the outposts of Christendom in China and in India, those men who, if any men do at this day, represent the original spirit that created Christianity, those men who, at sacrifice to themselves, are holding fast and firm the principles of Christianity on the outposts of civilization. When you think of names like St. Francis Xavier, Father Damien, Livingstone, Moffat, and Carey, you are recalling men whose names will remain firm in the annals of the race long after the names of our warriors and statesmen have faded away. Those are the men of whom the House ought to be proud, and I would ask the opinion of the living descendants of these men. They have been asked, and what have they said? With almost unanimous voices they have voted in favour of church union. How could they do otherwise? Then I would go to the thousands of ministers who are working in the rural parishes of this country, that great body of Presbyterian and Methodist ministers who are working in the rural fields of this country. They have a right to be asked, because they are bearing the burden and heat of the day, these men who with their families have given their lives to this cause. I know that a good many of our city ministers have generously given their support to this movement, and they are to be honoured for it. But what is the reason? It is because they have been through the mill themselves. They know what it is to work out on some rural charge and to bear the heartache and humiliation of trying to carry on their work in competition with their brother ministers when there was no necessity for that competition—men with the same message, with the same methods, on the same ground, compelled by our denominationalism to carry on their work under those conditions. It is a serious matter, Mr. Chairman.

In this Canada of ours it is becoming more and more difficult to get the young men coming out of our universities to enter the ministry, because they believe our divisions and narrow denominationalism has rendered this sacred calling less than a man's job. Now this bill which is before us proposes to do away with that obstacle, and to make a thousand parishes, nay, two and three thousand parishes in Canada, a field whereto we can invite our young men to give their life's work. And then I would speak also of the great body of laymen who have to foot the bill. We sometimes talk about the unsupportableness of taxes. But people outside the churches know very little about the impost that is laid upon the average church member in trying to carry on work which after all is national work. And I think the laymen of our churches—who are sometimes paying two, three and sometimes four times the amount which they could reasonably be expected to do in order to carry on the work of the congregation—I think those men have a right to be consulted. They have been consulted, and their answer has been overwhelmingly in favour of church union.

I want to say in conclusion that this movement not only commends itself to us from a national point of view, not only from that deference which is due to sister Christian churches endeavouring to carry on a work under very onerous conditions, but also from a strictly legal point of view. The legal side has been almost exclusively discussed this afternoon. I did not enter into it at the beginning, because I thought possibly I might deal with the question from another angle; but I wish to say in conclusion that this bill as introduced is in perfect harmony with the law, as the law is understood by the average lay mind, and contains the most generous provision for minorities. The counsel for the opponents of the bill based his argument, his legal argument, almost exclusively on the Scottish church case. He said in his speech that the principle underlying the Scottish church case was that no general assembly, no matter how unanimous the vote, has the power to destroy the church it was commissioned to preserve. I want to say very respectfully that the learned gentleman when he made that statement was simply filling up a gap in his argument by his forensic imaginings, because there was no such principle embodied in the judgment given. The judgment as laid down by the law lords contained two very clear principles which I ask this House to apply to this case. The first principle was identity of doctrine. The second was that there should be power to change doctrine. They laid upon themselves the onus of proving both and to the satisfaction of themselves, with certain dissentients, they decided that there was no identity of doctrine

—that is, in this specific case there was no identity of doctrine—and there was no power to change doctrine. Those are the two principles upon which that case was decided.

Now, I do not need to appeal to anyone in particular because it seems to be so plain: Here are these two principles. Let us apply them to the Presbyterian Church in Canada, and let me remark that the Presbyterian Church in Canada is not the Presbyterian Church in Scotland. But let us apply these two principles. First as to identity of doctrine. Well, I have already dealt with that and I did not convert the hon. member for Lunenburg, but I think I showed to the ordinary common sense way of thinking that there is absolutely no difference between the doctrine of the Presbyterian Church in Canada and the doctrine of the Methodist Church in Canada—absolutely no difference. They teach the children out of the same text books in the Sunday schools; the missionaries divide the work between them, signifying that no longer have they the consciousness of any special message to deliver; and they use also each others parsonages, and no doubt they borrow each other's money. Now, leaving all technicalities aside, I do not think that any man can stand up here and say that the doctrine, the working doctrine, of these churches is in any way different; they are absolutely identical.

But then, what about the power to change doctrine? Well, with regard to the Presbyterian Church in Canada I might, perhaps, endeavour to enlighten the hon. member for St. Lawrence-St. George (Mr. Marler)) if he were here; but he is not here. If he were here I might tell him that the Presbyterian Church in Canada, whatever was the position of the uniting churches in Scotland, has the right to change its doctrine. That right is set forth in a very clear legal decision that was given in the Dobbie case. That right is couched in unmistakable terms in the rules and usages of the church; that right has been exercised in two specific instances; and what is more, that right is stamped indelibly upon the consciousness of the Presbyterian church in this country. Well, if that is the case, if we have identity in doctrine, if we have power to change doctrine, why should this parliament confront the Presbyterian church with the technicalities it is trying to get away from?

With respect to this amendment I could have understood the member for Lunenburg, and others, if they had attempted to get a vote against the petition. If they had come straight out against the petitioners in the first place and said "This bill must not go through this House" I could have understood it. But they bring in this amendment, and they have very cunningly laid a snare before the members of this House. What they despaired of doing in the open light of public discussion they thought they could do at a subsequent date in the twilight of legal disputation. They remind me of a carnivorous wasp which never kills its prey outright but just sticks in its probe at the right place and waits for another day to finish the job. I cannot understand an attempt of that kind to mislead this House, for after all the intention and the motive behind the amendment is to defeat the bill and that is all there is to it. If this parliament yields to the amendment it will be shirking a duty, a clear duty, which belongs to it; a duty which the British parliament just two or three years ago accepted in the Scottish church bill. The very thing these petitioners are asking us to do this evening is the thing which the Scottish church asked the British House of Commons to do three years ago, and the British House of Commons did it without demur. They did it in deference to the expressed will of a great Scottish church; and if the thing that is expedient and right for the British parliament to do is wrong and inexpedient for us to do, then I fail to understand the situation at all.

And then, Mr. Chairman, finally, if this parliament accedes to the movers of this amendment they will be, as I have already indicated, taking away from the church the responsibility that rests within the church, that has always rested within the church, and which no church in Canada would consciously allow to pass out of its hands. They are taking this matter which concerns doctrine and policy, the most sacred right of all Christian bodies, and wresting it out of the sacred realm to which it belongs, and they are hurling it ruthlessly and thoughtlessly into the maelstrom of political controversy. I appeal to the House with the very highest of motives not to accede to the individuals who have been pressing this matter upon us for some weeks, but to accede to those who have sent them here, and to accede in particular to the great Presbyterian church as that church has expressed itself through its historic General Assembly, and has expressed itself so decisively and so finally only about a week ago.

Mr. MURRAY MacLAREN (St. John City): We have heard this afternoon a quotation from Bourinot which states that it is very rarely that the committee of the whole interferes with a bill as reported by a select committee. Now in this case the select committee has heard a great deal of evidence and has given much consideration to the matter; so much so that one of the points on which all members of the select committee will agree, is that the matter has been thoroughly presented to them, in so far as was possible under the circumstances. Now then, if it be the procedure with few exceptions that the committee of the whole should accept the report of the select committee, and in view of the great amount of evidence which has been presented to the select committee, I think the committee of the whole will exercise the greatest caution before accepting the amendment which has been placed before us this afternoon. The amendment which was placed in the bill by the select committee is a safeguard. It is eminently fair to all parties. It ensures, I believe beyond doubt, the fairest decision that can be obtained in a matter of this kind, and therefore I would submit that there is much reason to accept the bill as amended and presented to the committee, and not to depart from it.

There are several subjects which I will refer to before dealing with the amendments as such, because there are several incorrectly stated propositions and certain misunderstandings in the matter. First of all, a word on the subject of union. All anti-unionists are favourable to union. I have said that and I repeat it. They are favourable to union, and not only so but it is their duty to favour union in so far as possible. That being the case, all Methodists, all Congregationalists, and such Presbyterians as so desire, are free tomorrow to enter into the union. And under what circumstances will they obtain more Presbyterians because it is evident that Presbyterians will remain out of the union and that the Presbyterian church will continue. I say it is some obsession on the word "union" in the case that prevents a settlement on the point. As I say, we are favourable to union, but we are not favourable to union beyond the rights of those who are petitioning, nor are we favourable to the proposal to interfere with the rights of those who are opposed to it. We are not favouring union at the expense of taking away a church which we consider belongs to those who wish to retain it. We are not favourable to a union compelling a large number of people to go into a church who are not willing to do so. It is one of the great principles that comes to us, one of the great heritages, that we have not only civil but religious liberty. It is no use saying "This is a great idea, therefore go to it." It must be dependent on the circumstances, and must be dependent on people's own desires. Each one must judge for himself. It is a common saying that union is a good thing; the bill is for union; vote for it. That is altogether subject to various conditions. Are the petitioning churches entitled to it, or have they authority to ask for it Have they authority to do away with their own church? Is it right to put into that church people who are not prepared to go there? Those are important questions. If there is something that is more important than union, it is the principle of religious freedom.

The next point I desire to refer to is the question of majorities, and there is a good deal of misunderstanding on that subject. First, let me say that the General Assembly does not represent the sentiment of the people, and I will try to demonstrate that in a moment or two. The General Assembly does not represent the sentiment of the people, nor do the votes of the General Assembly authorize the General Assembly to enter into union. And all I am saying, or nearly all I propose to say, is from the Presbyterian standpoint, because that is the section that is entering the protest. The union movement in the Presbyterian church was what? It was clerical and official; it never arose from the people. The explanation of the twenty years taken with the proceedings is the best evidence that it never received the support of the people as a whole. As I say, it was official and clerical. Therefore that influence has naturally had a great restraining influence on the people, and in the process of time, when they saw especially the nature of the bill that is before us now, they broke through the influence and control of the clergy. It is not now possible to say which is the majority.

The General Assembly does not represent the sentiment of the people, because it is not in any sense representative in numbers. A congregation, no matter how small, if it has only a score or two score members, has its minister and elder in presbytery and a congregation of two thousand has its minister and elder in presbytery. Now, two thousand members in one part of the church may thus have only two representatives in the presbytery, and two thousand people in other places may have two hundred representatives in the presbytery, and those representatives

in the presbytery have their corresponding places in the assembly. Then, again, the members of the assembly do not represent the people in any issue such as church union because the members of the assembly are not elected by the people on any such issue, or any issue contemplating the blotting out of the church, but for its upbuilding and continuance. Members of the assembly, both ministers and elders, are chosen from the presbytery and not from the people.

I wish to place before the committee some recent examples showing how far the commissioners have differed from their congregations. A few of them were given by the member for Lunenburg this afternoon. I would like to add to them. I am quoting from the last vote taken in 1915, and when I am mentioning this it reminds me that one of the members to my left said that there was no procedure for taking a plebiscite in the Presbyterian church. If that be true, it certainly is not laid down in the Blue Book. The fact is they have taken two plebiscites. They took one in 1911 and one in 1915, nine years ago, and if they took two plebiscites, it seems to me it would have been rather an easy matter for them to have taken a third, to have ascertained positively how the church stands at the present day. Let me give the committee the votes of 1915, because those are the last that can be obtained as the official vote:

			Commissioners at General Assembly Owen Sound	
Presbytery	For union	Against union	For union	Against union
Pictou..	1,790	3,345	11	3
St. John..	1,513	1,779	7	0
Montreal..	4,085	4,174	22	4
Toronto..	7,434	7,780	28	5

There are other figures such as those for the presbytery of Peterborough, but I have not them here. Here is an analysis of the vote in Ontario at the General Assembly of this year:

	Number
The following ministers voted for union in the assembly, the churches having recently recorded themselves as against union..	11
The following ministers also voted for union representing no Canadian congregations.. ..	17

Partly retired ministers, partly professors and so forth. The elders' vote could not be determined accurately without personal knowledge of the churches represented by those elders, but the number of those who voted for union from anti-union congregations was six. These figures, I think, demonstrate to a very very large extent what a small relationship there is between the majority in the General Assembly and the sentiment amongst the general people of the country. I shall not give you the plebiscites, because they have already been given, but I wish to remind the committee that in the second vote of 1915, there was an increased vote over the previous one of over 23,000 opposed to union. What was the increase in the number of those in favour of union? Six hundred.

During the last year or two, ever since this bill or the nature of this bill has been known to the people, congregation after congregation has had informal votes and has shown a majority against union where the votes were formerly in favour of union. Such is a certain indication of how the people stand in the "Kirk" at the present day.

Let me say a word about the union of 1875 which has been frequently quoted as a justification for the proposed union of to-day. The union of 1875 was a union of four Presbyterian churches, not different denominations, not different churches. When I say that it was a union, that is not quite an accurate term. It was a reunion. Those churches had formerly been one and they came together again. That is one difference and a very vital substantial difference it is. But there are others. Those Presbyterian churches were not incorporated. The Presbyterian church of to-day is not incorporated. There is no need of its being incorporated. Another difference is that when that union took place, the congregations that decided to go in went in, and those that decided to remain out—and they were not many—remained out. What became of those congregations that remained out? Were they cast adrift as isolated congregations without their church? Not at all. They remained in their mother church. In Pictou, especially, where they decided not to go in, there was formed for the two presbyteries a synod in which the church continued in connection with the mother church, the Church of Scotland. There was no taking away of their church from those people, and one of the great difficulties and hardships at the present day is the threat of their church being taken away from the people.

I am altogether of opinion that this committee has had the great advantage of acquiring a wonderful amount of useful ecclesiastical knowledge this afternoon. As regards the Free Church Act of 1905, the Free Church of Scotland and the United Presbyterian Church of Scotland proposed to unite. They did unite, but a certain portion of the Free church protested. The case was tried in the courts, and finally in the Privy Council it was decided that the Free church could not

unite with the United Presbyterian church and take its property with it into the union. What was the size of the minority? Twenty-six or twenty-seven ministers and their respective congregations. There is no comparison between that situation and the present situation in Canada. In Canada there are hundreds of congregations that are not prepared to go into the union now. Those that stayed out of the union in Scotland were called from their small numbers, the "Wee Frees." It was held by the Privy Council that the Free Church of Scotland could not unite. Why? Because their doctrines were not identical. My hon. friend on my left (Mr. Bird) put the matter in this way, that it had said that there was no identity of doctrine. I presume he did not mean that. There are no Christian churches in regard to which you can say that. What he meant, I presume, was that their doctrines were not identical, and that is a very different thing. Their doctrines were not identical, but they were very similar. They were both Presbyterian churches and yet there was sufficient difference to warrant the Privy Council in holding that union could not take place. That law still holds good; it has never been changed, although one would think, to hear the discussion which took place in the committee and the debate which has taken place in the House to-day, that the law had been proved to be faulty and that in consequence parliament had to step in. That is not the case. What happened was this: All the trusts and the church property could not be carried on by 26 ministers and their congregations and there was such an enormous amount of trust funds that could not function that parliament necessarily had to take notice. Parliament therefore appointed a commissioner, and I may read to the committee the following paragraph in the preamble to the act making the appointment:

Whereas a royal commission appointed to inquire into the matter have reported that the Free church are unable adequately—

Note, they are unable "adequately"—

—to carry out all the trusts of the property and that it is desirable to provide for an allocation thereof, provision being made for the equipment of the Free church, and whereas it is expedient to make provision for such allocation by means of the appointment of a commissioner.

That is a different thing altogether; there were so few to carry on the affairs of the church that they failed in their trust and parliament had to step in and make allocation so that the properties might not go to waste but should be usefully employed. But the law still stands with regard to these churches, that on the question of their doctrines they could not unite. Let me come to the Church of Scotland Act of 1921. Personally I do not think that it is very material to the present discussion, but those who are in favour of union have seized almost frantically on that act to help them in their case. My opinion is that it will not. I listened to my hon. friend from Lisgar (Mr. Brown) this afternoon when he said that he would like to put something on Hansard; and he did. But I thought that there were some very important things which he might have put on Hansard and which he did not submit. I therefore want to supplement his statements on that point. The Church of Scotland at the present time seeks union with the church I have been speaking of, the United Free Church; but the Church of Scotland is an established body, a national church, in that respect the same as the Church of England. So that naturally it requires authority to unite with another church. Parliament therefore has passed an act in a schedule to which appear what are called declaratory articles—articles declaring the constitution of the church in matters spiritual. What does article No. 2 say in full?

The principal subordinate standard of the Church of Scotland is the Westminster confession of faith—

Is that in the proposed union?

—approved by the General Assembly of 1647, containing—

Mark this.

—the sum and substance of the faith of the Reformed church. Its government is Presbyterian and is exercised through kirk-sessions, presbyteries, provincial synods and General Assemblies. Its system and principles of worship, orders and discipline are in accordance with "The directory for the public worship of God," "The form of Presbyterial church Government," and "The form of Process," as these have been or may hereafter be interpreted or modified by acts of the General Assembly or consuetude.

This is an article setting forth that the principal subordinate standard of the Church of Scotland, containing the sum and substance of the faith of that church, is the Westminster Confession of Faith, and the act enables the church to join or form a junction with another Presbyterian church. Now let me read the remainder of the fifth article:

But always in agreement with the word of God and the fundamental doctrines of the Christian faith contained in the said confession, of which agreement the church shall be the sole judge, and with due regard to liberty of opinion in points which do not enter into the substance of the faith.

I think it is pretty clear, if I may venture an ecclesiastical opinion, that, in these declaratory articles, are laid down the doctrine of

faith of the Church of Scotland and its principal and subordinate standard, the Westminster Confession of Faith, and that any changes that take place in the church must conform to the faith as set forth therein.

There are two great objections to the bill, but before I consider them I want to supplement the views I advanced a moment ago. I have a note on the subject and it might be just as well if I gave it to the committee. The British act of 1921 did not give the Church of Scotland the power to abandon its Presbyterian standards; any changes in doctrine which it authorized had to be in harmony with the fundamental doctrines of the church as laid down at the Scottish Reformation, and as indicated in article 5. It would never have authorized such changes as appeared in the basis of union. The fact that legislation was necessary for the Church of Scotland indicates that without such legislation the Church of Scotland had no power to institute any change. The Presbyterian Church in Canada never obtained any such power from any parliament, but the church courts assumed to have that authority and, what is more, exercised it without any prior legislative sanction. The promoters of the bill before the Private Bills committee asserted and attempted to sustain the position that all that had been done by the church courts had been legally done and within the competence of such courts. Any action of the church courts in Canada was taken long before the legislation of 1921 was enacted, so that those actions could not have been based upon that precedent. In any event the British legislation of 1921 has no application to Canada and should not influence our decision.

9 p.m.

Now I come to the two great objections to which I think the bill is open, and the first is that the action of the General Assembly is unconstitutional. And it seems to me there is a great deal of confusion on this point. I notice that some hon. members speak of the General Assembly as if it were the church, while others refer to it as a corporate body with certain functions. We shall see in a moment what the extent of its functions is. When the union of the four Presbyterian churches in Canada took place in 1875 those churches united under what was called the basis of union, and therein it is stated that the scriptures shall be the infallible rule of faith, and the Westminster Confession of Faith the subordinate standard; and then reference is made to the form of Presbyterian church government and "The directory for the public worship of God." That is the basis of union and the basis of their faith I want the committee to consider also what vows the ministers have taken in entering that church. They sign a vow that they believe in the Westminster Confession of Faith as adopted by this church in the basis of union, and the government of the church by sessions, presbyteries, synods and general assemblies, to be founded on and agreeable to the word of God; that they own the purity of worship at present authorized by this church and that they engage to adhere faithfully to the doctrine of the said confession, to maintain and defend the said government, to conform to the said worship, to submit to the discipline of the church. And then listen to these words:

To follow no divisive course from the present order established therein.

The elders take a somewhat similar vow when they are ordained. Now, what is laid down for the General Assembly to do? The General Assembly receives and disposes of petitions, overtures, references, complaints, and so on; prescribes and regulates the course of duty of students having the ministry in view; corresponds with other churches, and so on; reviews the records of synods, deals with matters respecting doctrine, worship, discipline and government of the church. Its duty also is "to preserve the unity of the church;" that seems to have been overlooked in the recent years. Now, in view of what I have read—and all these things must be considered together: the basis of union; the vows of the ministers and elders of the church, their duties and the duties of the General Assembly as laid down in the Rules of Procedure—is there any authority to abolish their church? In all that I have read is there the remotest suggestion to that effect? On the contrary, the requirement to maintain and defend the church and to follow no divisive course therefrom is clearly laid down, and there is the requirement also to accept the Confession of Faith. There is every authority for the continuance of this church, but in my humble opinion there is no authority for its extinction. The General Assembly is not the church; it is a committee of the church to carry on the church's business affairs.

Now, a word about the free church case because two things are clearly shown. First of all, in the General Assembly no vote, no majority vote, not even a unanimous vote, can destroy the church that it is its commission to serve. Mark these words: No majority, not even a unanimous vote, can abolish the church. That is an entirely different view from what we have heard this afternoon. What does it mean? It means that the General Assembly has no authority to disturb the continuity of the church. The General Assembly

is merely a committee carrying on the business of the church, acting within its vows, dealing with matters affecting internal management. It is beyond its power and its authority to destroy the church which by their vows they have undertaken to serve and to maintain. No majority of the General Assembly, no church court of the Presbyterian church, can give power to divert property to a different purpose from that for which it was originally intended. There is a good deal of loose talk about this question of trusts. I have heard a man say, "Oh, well, it was a good many years ago that that condition was laid down; you really do not need to carry it out." Surely an attitude of that kind is no less blamable than any departure from the rigid interpretation of a will. The conditions surrounding the disposition of these properties must be scrupulously carried out.

I do not propose to read many quotations, but I would like to read from a decision of Lord Lindley of the Privy Council in the Wee Free case. This is what he said.

> If, therefore, a synod or council, under colour of exercising their authority, were to destroy the church which they were appointed to preserve, or were to abrogate the doctrines which they were appointed to maintain, their acts would be ultra vires and invalid in point of law, and it would be the duty of every court in the United Kingdom so to hold, if the question ever involved a controversy as to civil rights and so arose for judicial decision.

In other words, this matter of union is not a question of preference. Somebody gets up and says this is the greatest thing that ever happened, but that is not enough; that will not do. We know that union has been set aside in Australia, in New Zealand and South Africa; we must have regard to the facts. This so-called sweep towards union has not gone on; it has fallen through. The unanimous decision of the Privy Council in the case to which I have referred was that churches must have identical doctrines to unite. Two of the Privy Council held that there was no difference, but on the question of law they all agreed. Two said there was no difference, and five said there was.

I want to remind the committee that there is a legal action pending in the Ontario courts. If the amendment of the hon. member for Lisgar (Mr. Brown) carries, then an opportunity of continuing the action in the Ontario courts will be lost to the anti-unionists. Is that a fair and proper thing? Is this matter so urgent as to take away the right of these people to have their case decided in the Ontario courts? And even if it were urgent, is it right and proper, is it just, to do anything else than to see that this action is allowed to proceed at law?

I want to refer to a few subjects that have been mentioned by those who are in favour of union. It is stated by the unionists that all constitutional steps have been taken. A great many steps have been taken, no doubt, and so far as they go I presume they are constitutional. But on what basis do they rest? They are a series of steps resting in the air. You must have a basic authority for your procedure. You may proceed to the presbytery and from there through the various stages to the synod and to the assembly; that sort of performance is constitutional enough—provided that the General Assembly has the necessary power . The basic question is have they that power? That is what is in dispute. I venture to say that what I have stated makes out a strong case, but I do not wish to make other men accept that; let us have the question settled where it can best be settled, and that is in a higher civil court.

I would say also that the General Assembly has no power to transfer to another church property which has been given for a specific purpose. That is a breach of trust. That is a matter that should also be sent to the courts. Does the committee consider it a proper thing to decide on the question of a very large trust fund, the existence of a church and the happiness of hundreds of thousands of devout people in this way in the House of Commons? Or does it not appear to the ordinary common sense man that this matter should be sent to the courts, where it can be argued out fully pro and con, and a decision be taken which I submit under all ordinary circumstances cannot be as fairly and as properly and sanely arrived at in this committee. To those who are interested in legal cases I would mention a Canadian case, Anderson versus Gislason. That was a Manitoba case concerned with the union of two churches, but the Presbyterian church was not involved. Legal action was taken, and this is what the appeal judge, Judge Dennistoun, said:

> The guarantee of religious freedom has nothing to do with the property. It does not guarantee freedom to steal churches. It secures to individuals the right of withdrawing, forming a new society, with such creed and government as they please, but it does not confer on them the right of taking the property consecrated to other uses by those who may now be sleeping in their graves.

That is a Canadian case. I said that the first great objection to the bill was that the General Assembly has not the power to do what it is attempting to do. Secondly, parliament has not the power to pass the bill. Can parliament incorporate and merge together people who do not wish to be merged? Is that not an infringment of the liberty of the

subject, which will not be allowed under the British North America Act? And so with regard to incorporated congregations that have not asked and do not wish to go into the union; and so as to the diversion of trust funds, which is provincial property. There are some important quotations in this connection in the Free church case which I shall not detain the committee to read, although they are in strong support of what I am saying, and would well repay any one who chooses to read them. They are to be found in the judgments of Lord Halsbury, the Lord Chancellor, and Lord Alverstone Chief Justice of England.

It is also said there is no need of this conditional clause in the amended bill, that is the clause I am speaking of as being ultra vires of parliament. There is no need of such a clause in the bill, it is said, as action can be taken in any case. Of course, it can be taken in any case. Does anybody suppose it could not? We all know that it could be taken. But it has been pointed out to the committee that it was urged that parliament had not the authority to pass this bill, and strong reasons were given in support of that contention. Is parliament then prepared to shut its eyes to that and go on and effect union, and then let somebody else attempt and perhaps succeed in upsetting the action of parliament? Is that justice, is that equity, to those who are protesting against this bill? I suggest, Mr. Chairman, that it is only proper and fair and just that this question of the authority of parliament be settled before the bill is brought into force, if it should pass this House. There is no use in saying that can be done some time. It is the duty of parliament to see that that provision is in the act.

Furthermore, there is no need of incorporation. The Presbyterian Church in Canada is not incorporated. There is nothing to prevent this union we are speaking of taking place without incorporation. Why is that not done? I will give you the only possible explanation, and that is that such a union as they are asking parliament for could not otherwise take place, because the courts would not allow it any more than they did in the Free church case. The courts would not allow the transfer of property and trusts, and that is why they are coming to parliament and asking for a power which I do not think they could obtain in the civil courts of the land.

It is stated that passing the bill as it now stands—it was stated only a few moments ago—would not settle the matter. Certainly not. Whoever expected it would settle the matter? The only course then would be to

come back with an amended bill. This bill should not pass in my view, because it would not settle the matter. Let them come back with an amended bill, and it would go through. But when a man says: Pass this bill because it is coming up again next year, does he mean to say—and this is the only interpretation—give him the bill to keep him quiet, to please him, or whatever you like, so that he does not come back to parliament. Give him the bill granting him powers and privileges that he does not possess and that takes away powers and the church from others, just to satisfy him. Surely the committee will not approve, cannot approve of any such iniquity as that; and that is what it all means. I can understand the committee would be very glad indeed if they could get rid of this question, if they could free our House and these corridors of a great deal of solicitude that has been shown all the members during the last few weeks. They would do a great deal to do that, but we cannot get rid of it at the expense of people's rights, and that is what we are doing if we go on any such argument as has been placed before us. Then it is said that if the General Assembly had not the necessary power, the passing of this act would give the supplementary and additional power necessary. Is that the way we wish to treat those who come to parliament protesting that this union is against their rights and that their church is being seized? I think not, Mr. Chairman. Again, it is asked, why was legal action not taken before? And because it was not taken before, it is argued that parliament cannot be expected to wait. I have heard this said several times. It implies that the action of the petitioners has been dilatory. It implies that they have delayed so that this matter can be held up. I have taken the opportunity of asking Mr. Chrysler, who I think is certainly a man of repute in this community, to give some facts in this connection, and this is what he says:

> Some question has been raised as to whether proceedings in the action of Cunningham et al vs. Pidgeon et al should not have been taken at an earlier date.

That is in reference to Bill No. 47.

> I was asked before the Private Bills committee, with regard to the time taken in commencing the action, but I understood from the questions then asked that the time referred to was that between the publication of the notice of application to parliament and the issuing of the writ. I explained then that there was only the necessary time occupied in the preparation of the statement of claim and the printing thereof.
>
> I understand now that it is said that the present plaintiff (or some plaintiff) might have proceeded at any time after the passing of the resolutions by the General Assembly adopted on the 11th day of June, 1923, which are quoted in paragraph 37 of the plaintiff's statement of claim.

I am pleased to have the opportunity of placing this matter before the committee because I think it meets the many criticisms that have been repeatedly made on this point. Mr. Chrysler goes on to say:

If this view were correct it might lead to the conclusion that an action should have been commenced at any time after the resolutions adopted by the assembly in 1916, which are in substance very similar to those of 1923. (paragraph 29 of the statement of claim).

In each case there is the assertion of the intention to take very bold and definite action by the assembly, qualified in each case by the condition that no such action should be final until confirmed by legislation.

This matter was very carefully considered, and in my view no action could be maintained in a court of law merely because resolutions had been adopted by the General Assembly, or other courts of the church, which might or might not be acted upon or be repealed or modified by a subsequent meeting of the assembly.

The resolutions of 1916 and 1923 were each of them, upon their face, provisional and conditional upon legislation being obtained.

The resolution of 1923 affirms the decision of the assembly:

"To proceed forthwith to the consummation of union upon the terms of the draft bills which are hereby approved in principle and generally as to form as necessary to give legal effect to the said union, and to furnish the United church with legal authority requisite to corporate action and as by said bills provided."

These proceedings are set out in paragraphs 37 to 50 inclusive of the statement of claim, and the notice of application to parliament in paragraph 56.

The action was commenced as soon after notice of application to parliament had been given as practicable, the proceeding being one in which it was convenient and proper, according to practice, to provide for the service of the statement of claim along with the writ of summons, as several of the defendants were not resident in the province of Ontario, the legislation was intended to terminate the existence of the Presbyterian Church in Canada by merging it in a new statutory corporation, and to invade the constitutional rights and property of the church and its corporate bodies holding property, provincial and local, and to take away the congregational property held in perpetuity in trust for the use of the members of the Presbyterian church.

Until the representatives and agents of the assembly themselves applied to the civil power to enforce their resolutions, either by action in court, or by applying for legislation, any action taken to test the pretended powers of the assembly would, I think, have been premature.

The decisive step, taken to enforce the resolution of the assembly, was first taken when the notice of application to parliament was published.

Yours truly,

F. H. CHRYSLER.

Mr. McBRIDE: Will the hon. member not admit that when Mr. Chrysler was under cross-examination he made the statement "I have not had time to examine this bill; this bill is beyond my comprehension", and that Mr. Mason, the solicitor for the union party, made a straightforward and honourable statement of the matter?

Mr. MacLAREN: No, I do not admit anything of the kind. It is also stated that the amendment which has been made to the bill in section 2 is an evasion. If ever a fair or honourable amendment was introduced into a bill it is the one that was inserted before the Private Bills committee. It says in effect "You can have your bill, but if there is any doubt as to the constitutional powers of the General Assembly the question must be submitted to the courts". What can be more fair or more honourable than that? Where is the evasion? I think the man who says there is evasion in that shows symptons of astigmatism if you know what that is.

Mr. GRAHAM: Explain please?

Mr. MacLAREN: The Minister of Railways is so well informed that I need not explain the term to him.

Summing up I ask what is the position now of the Presbyterian church? Notwithstanding official pronouncements at the early stages of union negotiations that practical unanimity would be essential, in spite of steadily increasing opposition so that now probably one-half the church is opposed to union, in spite of there being no vote for nine years, and that over 100,000 new members have joined the church since the last vote, regardless of the assembly failing in any fair measure to represent the people, regardless of the power of the General Assembly being challenged as its constitutional authority in seeking union and there being strong evidence to support that step; regardless that the power of parliament itself is distinctly disputed, and that the existence of the church of thousands of devout people is threatened—with all these facts before us an amendment is presented to eliminate section 2 which would mean, if the bill is passed along with it, that there is not only confiscation and coercion but infringement of religious liberty. I think it may be said of those who are in favour of union that they have "followed too much the devices and desires of their own hearts". They see this ideal before them. They think that what they are striving for will be the solution of everything. They are pressing towards that goal without due regard to the liberties and rights of others, without vouchsafing to other people the right to choose and worship as they think best. There is no use in attempting to tell anybody how they must worship; what they should do in regard to religious matters. That is an impossible idea. The question is now before us for settlement, and surely this parliament is not going to dictate to any body of people as to what church they should belong.

Mr. H. B. McGIVERIN (Ottawa): I would like to make a few remarks on this bill. In the debate so far this afternoon and this evening, this matter has been very ably and very fully discussed. I had the honour of being chairman of the Private Bills committee to which the bill was referred. As several hon. members have mentioned, for many years no private bill has caused such a tremendous interest as is taken in this measure. The committee gave both sides a very fair and full hearing. Six days were occupied in presenting the case to the committee. The arguments were well presented from both sides. While there was keen feeling in the matter, there is no question that courtesy and kindness were shown on both sides, and that was only to be expected from men of such high standing in the church, at the bar and among the laity. The committee discussed this bill for the equivalent of another four days, and went into the question very carefully.

There is no doubt in my mind that the Methodist and Congregational churches are practically unanimous in asking for this church union bill, but gentlemen appeared before the committee and presented a very grave difference of opinion on the part of communicants and members of the Presbyterian church. They claimed that the General Assembly of the Presbyterian church had not the legal and constitutional right to enter into such an agreement with the other churches. Excluding this question which is now before the committee in regard to the amendment of my hon. friend from Lisgar (Mr. Brown), I think the remaining provisions of the bill were very carefully considered and thought out, and practically follow what was asked for by the promoters of the bill. But on the question of this amendment to the preamble and section 2 which is now sought to be eliminated, the committee felt—and I agree with the committee—that there was grave doubt as to whether the Presbyterian General Assembly had the right to enter into this agreement.

I am not going to enter into a long legal argument, but I would like to draw the attention of the committee to the questions which are raised in the case of Cunningham versus Pidgeon, which is now before the Ontario courts. The case mentioned subsection 1 of section 2 of this bill. The reason that I am going to read some of the points presented in that case is that these were the points that were brought before the committee and argued, and are on record in this case in the courts of Ontario. Another reason why I read from this record is that I desire to show that there is a grave doubt, to put it fairly, and I want to show, Mr. Chairman, that the questions which are involved in this case are questions of doctrine and faith, which hon. members who are for this amendment said the committee and parliament should not discuss, the point being that these legal and religious questions should be submitted to the courts of the land, to men who are trained to consider these very questions, trained to weigh the evidence and to take these matters in hand. Paragraph 63 of this statement of claim reads:

> The covenant of the Presbyterian church in 1875 and its constitution and rule contain no provision for any alteration being made in the principles of the said church or for union with any other church or association of Christians holding different principles.

Paragraph 64 reads:

> The plaintiffs further submit that the said assembly had not, nor has any assembly of the Presbyterian church, power to appoint delegates or any committee of delegates or agents to apply for legislation designed and intended to annihilate the identity and continuity of the Presbyterian church by merging it in a new corporation and to bring about the alienation or spoliation of the property of the church, nor to take proceedings to procure the conveyance by act of parliament or legislatures of such property to such new corporation.

Paragraph 66 reads:

> The plaintiffs submit that it is not within the power of the courts of the Presbyterian church or any combination of them, or of any majority of its officers or members to alter or vary the trusts upon which the property vested in or acquired by it, or by trustees for it, is held, or to alter the purposes for which it was founded and established.

That refers more particularly to subsection 2 in regard to the constitutionality, which was referred to by my hon. friend from St. Lawrence-St. George (Mr. Marler). Then I turn to paragraph 86, which is purely one in regard to doctrine, and reads:

> In place of the standards of the Presbyterian church, namely the Confession of Faith, which is a statement of a system of doctrine, in the form of a creed or covenant, and the longer and shorter catechisms, provided for the instruction of its members the proposed basis of the United church substitutes a statement which purports to set forth not the creed of the church but the substance of the Christian faith as commonly held among us.

There is a question solely of doctrine or creed or faith, which I submit should go to the courts. Then I refer to paragraph 96 which reads:

> The plaintiffs submit that the twenty articles which follow the preamble are not identical with, but a departure from the doctrine of the Presbyterian church as set forth in its standards.

Paragraph 101 reads:

The following differences and departures from the Westminster Confession of Faith in the proposed basis of union are set forth in the opposing statements or propositions which follow:

And here are ten very grave differences of opinion on doctrine as between the United church and the Presbyterians. I maintain that these are not questions which should be settled by a committee or by parliament, but are questions which should be decided by the courts of the land. Paragraph 102 recites these ten grave differences which I will not repeat, and states further:

The above instances do not constitute the whole sum of the differences between the Confession of Faith and the basis of union, but are given only to illustrate the opposition between these two documents not only in their superficial features but even more in their fundamental conceptions.

In other words, there appears to be a vast difference in regard to the two conceptions as regards doctrine and faith. At a meeting subsequent to the General Assembly of 1923, a reply was presented by those in favour of union to the dissent of those gentlemen who opposed union, and as appears on page 9, the chairman of that committee in his report said amongst other things in section (2):

This assembly maintains that the General Assembly held in Winnipeg in 1916 did act within its rights and powers in approving of the said basis of union.

(3) The assembly denies that its acts in this behalf are illegal, and denies that it has in effect seceded from the Presbyterian Church in Canada.

Section (5) reads:

The assembly, claiming that its acts have been legal and within its powers and rights, holds that those who dissent from this deliverance and not the majority are the parties responsible for this threatened schism in the church and for any consequence which may flow therefrom.

In other words, they joined issue in regard to the legality of the proceedings of the assembly. When the gentlemen appeared before the committee, they argued that the General Assembly had acted in a legal and constitutional manner in carrying this out. It is true that the case of Overtoun and the Free Church of Scotland has been cited before the committee, and I will only mention the fact that the decision apparently was directly against the General Assembly to make any particular change in doctrine. The gentlemen who appeared before the committee in favour of union said that they could differentiate this legislation from the Free Church case. All that I am concerned in showing from these statements is, first, that there was a serious doubt as to the right of the General Assembly; secondly, that parliament and this committee are not the authorities to decide questions of doctrine and of faith, and that such questions should go to the proper tribunals set apart by the constitution of this country, namely the law courts of the land.

Mr. WOODSWORTH: When were the law courts set apart to decide questions of faith and doctrine?

Mr. McGIVERIN: This question has arisen between parties in the Presbyterian church under their own system of government, under the laws and obligations laid down in the church, and, therefore, any question of dispute which would arise between one section of that church and the other, any legal rights that they would have, would have to be tried by the courts. If the question of doctrine comes into this question, it would naturally be tried by the courts as was the case in the Overtoun case.

The Barrier Act has been referred to. The Barrier Act is simply an act of the Presbyterian Church in Canada which is used as a check of legislation. The General Assembly passes a law, and then it is sent down during the following year to the different presbyteries for assent or dissent before it is put into effect. But it does not give any additional power to the General Assembly as regards legislation outside of whatever rights and powers it may have.

I would have thought that the reference to the Supreme court would be welcomed by the promoters of this bill, because there is no doubt that in this legislation we are dealing with property and civil rights in the provinces, with education in the provinces and with trusts in the provinces. It is true that legislation has been obtained from many of the provinces and legislation is still to be obtained in two or three more. But the point I attempt to make is this, that if the question is referred to the Supreme court, this will prevent litigation in the other provincial courts of this country until the Supreme court has decided whether the legislation we have granted is ultra vires or not. This will save money to both sides and it will save delay by having the matter referred. I have supported and I am supporting the report of the committee, but the question of delay was brought up. The committee tried to meet that point in the reference to the courts by limiting the time to two years. But if a reference of both of those legal questions in subsections 1 and 2 of section 2 to the Supreme court is put forward, as it is following the principle adopted by the committee, I would agree to it because it would avoid delay and expense. I am in favour of church

union, but I think that in granting church union you cannot take away whatever legal rights may belong to the minority in the Presbyterian church.

The question of the General Assembly has been touched upon. I have a great respect for the opinion of the General Assembly of the Presbyterian church and for the system of church government; but the gentlemen who make up the General Assembly are elders appointed for life. They go to the General Assembly, and in all honour, without any question of their good faith, they have a perfect right to vote for or against church union as they see fit whether their congregation is in favour of union or not. The point I wish to make is that they are not instructed by the congregation to make a direct vote. Why did the General Assembly, I suppose in its wisdom, ask for a vote in 1911 and again in 1915? Surely it was to get that advice from the great mass of communicants and members of their church. In the last vote of 1915, out of 336,822 communicants, 106,534 voted for church union and 69,000 against it. That meant about one third of the communicants of the Presbyterian church. Now, there is a general law in this country governing corporations providing that when any serious move is made, in order to protect the minority, there shall be a two thirds vote of the shareholders. I would not go quite so far as that in this matter, but all that is shown as regards the democracy of this question is that nine years ago one third of the communicants of the Presbyterian church voted in favour of union. We are the representatives of the people and it seems to me it would have been of great assistance to us, even apart from the legal aspect of the matter, if a vote had been taken at a later date than 1915.

As has been stated this afternoon and repeated over and over again during the past few weeks, the state cannot interfere with religion. I want to read a statement from a pamphlet entitled "Parliament and the Church" addressed to members of parliament by Professor R. E. Welsh, D.D. of the Presbyterian College, Montreal. He says:

> Parliament is not a court of appeal from the churches upon any ecclesiastical matter. Their creeds or any modifications therein, and their procedure according to their constitution, are determined solely by themselves as free, self-governing religious communities, having neither political nor commercial aims and uses. Any intrusion upon the action of General Assembly, General Conference, or other church court, in respect of its own functions, would be a violation of the sacred principle of the spiritual independence of the church of Christ and would never be endured in a free country.

Well, I agree with that, with this important addition that as between the members of their own communities or sects or religions the governing body of the church has acted legally according to the agreement or the basis upon which they all join. It is for that reason that I believe in referring this question to the courts. If you accept the amendment of the hon. member for Lisgar (Mr. Brown) and you forbid any reference of the matter to the courts you are deciding a religious question without any consideration for the minority, the thousands of communicants of the Presbyterian church who are opposed to union, and that I maintain would be an interference on the part of this body with the religious opinions of a large section of the Presbyterian church in this country. For that reason and for others which I have advanced I will support my committee and vote against the amendment of my hon. friend from Lisgar.

Mr. LADNER: The hon. gentleman makes no reference to an important contingency. Suppose that through a technicality the courts should decide that the procedure of the General Assembly was not in order; how does he provide for the carrying out of what is practically the unanimous will of the Methodist and Congregational churches and those Presbyterians who want union? The nature of the bill denies the possibility of union to those large numbers who are in favour of it.

Mr. McGIVERIN: If the decision of the courts were against the action of the General Assembly it would then be the duty of parliament to meet the situation. There has been a great deal of talk in regard to the remedial legislation passed in connection with the Free church. That decision, as has been pointed out, left a very small minority, so small that a commission was appointed to inquire into the question, and it was that commission that decided that the trusts of the church and the management of its affairs could not be carried out by those who were legally entitled to the control of that body. It was then that the commission advised parliament to pass a law covering that contingency. I understand that in that case it was found that one-third of those who were by law declared to be the rightful members of the church were entitled to take all the

property. I say therefore that the question would have to be settled by the courts. This legislation provides that, if the General Assembly acted in a legal and constitutional maner, then the bill should become effective.

Mr. LADNER: That is not the point. Having provided in the bill for many contingencies so as to obviate any repetition of this controversy, which is not in the interests of the churches, of religion, or the welfare of the country, why not
10 p.m. go further and provide for another very important contingency? If the courts should decide that the procedure of the General Assembly of the Presbyterian church was not in order, should not the remaining bodies who wish the union be free to unite? Why is that provision omitted from the bill?

Mr. McGIVERIN: I do not see how you can arrange for a contingency of that kind until the matter has been settled in the courts and you know where you stand.

Mr. McBRIDE: When this bill was before the committee why did the hon. member refuse to hear counsel that was opposed to the amendment when he heard counsel on each and every one of the other sections in the bill?

Mr. McGIVERIN: That is easily answered; after the public hearing it was decided by the committee that we should not hear any outside the committee on the preamble, and I was simply carrying out that arrangement as I did in every instance.

Mr. McBRIDE: Counsel for the union came to me and requested me to obtain for him the right to be heard on that question before the vote was taken.

Mr. E. GUSS PORTER (West Hastings): It is not my intention to speak at any great length on the question before the chair. Since the chairman of the committee, the hon. member for Ottawa (Mr. McGiverin), has expressed his views, I should feel inclined to refrain from saying anything whatever on the subject, as I find myself fully in accord with what he has stated in his speech. Every opportunity was given by the chairman of the committee to both parties to the controversy to make the fullest statement of their case. I feel that every member of the committee gave the most careful consideration to the evidence that was offered. When the amendment that now appears in the bill was moved by the hon. member for Lunenburg (Mr. Duff) I took occasion to second it after giving a good deal of thought to the matter, and I do not think that this House is commissioned to revise or repeal the decision of that committee. Every phase of the question was fully argued in the committee by the ablest counsel who could be procured.

The CHAIRMAN: I would like to direct the attention of the committee—not particularly of the hon. member who is speaking—to a reference in Bourinot which I fear may be disregarded in connection with this discussion. I quote from page 357:

> Neither can a member, in speaking, refer to anything said or done in a previous debate during the same session—a rule necessary to economize the time of the House, and a restraint upon members to prevent them from reviving a debate already concluded. Neither is it regular to refer to arguments used in committee of the whole, nor to any amendment proposed in the same.

I do not suggest that the hon. member is disobeying or disregarding that rule, but from some comments that have been made I fear there is a danger that it may be disregarded. If the hon. member will excuse the interruption, I simply want to draw that to the attention of the committee.

Mr. PORTER: I have no intention of repeating any part of the argument presented by counsel to the committee; I merely mention the fact that argument was made before the committee, without stating what it was. As I have suggested, the House is not conditioned to determine the question now before us as the committee was conditioned to determine it. The committee had all the evidence before them; they had an opportunity of discussing it among themselves and of considering it fully. This House has never had that evidence before it and therefore has had no opportunity of weighing it. Nor has the House had the advantage of the arguments of counsel made before the committee. It seems to me that the safest thing for the House to do is to rely upon the action of the committee. The House cannot, upon the arguments presented here this afternoon and to-night, undertake to decide on the matters involved; that cannot be intelligently done unless all the evidence and all the arguments are taken into consideration. So that to ask this House to undertake to annul or repeal what the committee has done seems to me, in the circumstances, to be asking the House to do altogether too much.

Before this bill was brought into parliament there was an action pending, and the fact that that action is pending is the strongest possible evidence of the bona fides of those who instituted that action. On the other hand those

who are promoting this union bill are endeavouring to get through the House a reversal of the opinion of the committee and to stifle the litigation to that extent, to prevent those who have confidence in their action from having it properly brought before the courts and adjudicated upon. They would have this House, which has not the information, the argument or the evidence before it, pass legislation that would altogether wipe that provision out of the bill. That does not seem to indicate the same amount of good faith or of confidence on their part in the success of their cause as is exhibited by those who have taken the action and are now maintaining it before the courts.

Is there a real bona fide question involved in the motion now before the committee? Can this parliament, can this committee say that there is no question to be determined by the courts? No doubt it has the power to do so, but will any hon. member say that no question is involved in this bill that is in controversy between the parties and that ought not to be settled—settled by the courts, if you will? If there is such a question, then is this parliament going to aid the one in evading litigation or assist the other in succeeding in the litigation? The fairest possible course parliament could take is to maintain the statu quo between the two parties, leaving each his own rights to be determined upon the evidence in the way that matters of that kind are usually determined.

I am in favour of voluntary union of the churches, but I am not in favour of compulsory union, and I cannot think I ever will be. I do not think the greatest good comes from compulsory union in anything, and that applies to churches as well as to anything else. If this church union is to be compulsory, they cannot expect to get from it the benefits that would otherwise accrue if it were a voluntary measure. Now while that is so, there is this question between the two: The unionists say: We have no desire and no intention, and we have never attempted, to coerce those who do not want to become unionists. On the other hand, the anti-unionists say: You are by this bill compelling us to do something we do not want to do. Now there is the issue. How are you going to determine it? Is parliament going to say the anti-unionists are right, or is parliament going to say that those who are in favour of union are right? Is parliament going to determine that question at all? Is not that a question that is right and proper, and that should only be decided by the courts of the land constituted for that purpose?

[Mr. Porter.]

I have spoken longer than I intended. I merely want to repeat, the committee was in a position to decide this matter, to protect the rights of minorities, and if there is a fundamental principle of British government, it is that the rights of minorities must be protected. That is what the committee was in a position to do in this matter. Will parliament undertake to say that they were wrong in doing that, and deprive the minority of their rights as determined in the courts?

Mr. J. S. WOODSWORTH (Centre Winnipeg): As a member of the Private Bills committee I have been trying to analyze the somewhat extensive evidence which has been placed before us in the past few weeks. I propose very briefly to outline some of the main points as they appeal to me, not merely from the legal standpoint, but from that of the wider aspects of the case. The heart of the bill, I take it, is contained in the words of the preamble, that the three churches desire to unite "without loss of their identity." That little phrase is the very key to the whole situation. It is that which causes the greater part of the controversy. The churches claim the right to unite without the loss of their identity. The petitioners came to parliament in the first place, we are told, in order that they might avoid litigation. In this apparently they have been disappointed, as the case is now before the Ontario courts. They make the claim that the steps which have been taken towards union have been taken constitutionally, that is, as provided by the regulations of the various churches concerned, and I think that their claim along that line has not been successfully disputed.

They claim secondly that they have made provision for non-concurring congregations. I might say that certain modifications that were made in committee make it clear that no one was to be forced to go into the union but rather that he might stay out. That announcement seemed to clear that point somewhat. Moreover it is pointed out by the advocates of the union that there is provision for the division of general church property; that is, colleges and certain trust funds of various kinds that are general in character, and are controlled by the church at large. It would seem as if there has been fairly generous provision for the division of general church property of this character.

Then finally the unionists laid a good deal of emphasis on the fact that this union might be in the interests of the country at large, and particularly in the interests of the West. It does not seem to me that it is a question for

parliament as to whether or not this union is in the interest of the country. It is our work to deal with this bill.

Those opposed to the union, representing one section of the Presbyterian church, claim through their counsel and through others who spoke for them, that the proposed legislation was beyond the powers of parliament. They emphasized the fact that the bill was concerned with property rights, and that property rights was essentially a provincial matter. Further, they argued that parliament cannot divert the trusts from the original purposes, and many eminent authorities were quoted, including Lord Halsbury, and other law lords. They argued that the assembly had no power to annihilate the church—that word "annihilate" was used again and again—that however wide the recognized powers of the assembly, it had no right to annihilate the church, and here again we had quotations from Lord Overtoun in the Free Church of Scotland case.

Further, they laid great emphasis on the fact that the church must retain its "identity of doctrine." The Westminster Confession is recognized as the subordinate standard of faith in the Presbyterian church, and it was said that no church might deviate from this standard and remain a Presbyterian church.

Finally, the opponents of union made the sentimental appeal, and I use the word in the best sense, that they must not be deprived of the church of their forefathers, the historic church in which they had been brought up.

Then there came from the anti-unionists the amendment which is now incorporated in the bill as it is before us. That amendment would result in a delay of action until the case before the Ontario courts is decided —probably two years, or that time might even be exceeded. I quite admit that when prominent legal authorities differ, it may seem presumptuous for a layman to have anything to say on the matter, and yet on the other hand perhaps it is well that these questions should not be decided entirely by lawyers. There are other than legal questions to be considered, and some of us who have not had legal training, desire to emphasize some other than the strictly legal aspects. I cannot see that it is right that we, as a House of Commons, should permit our powers to be abrogated and relegate this whole matter to the courts. Here is a straightforward proposition that is brought before us, a bill to unite three Canadian churches. It is not a matter for the courts to decide whether the bill is in order or not. We are the people who should decide that. I admit there are certain legal and technical difficulties, but supposing the courts should decide that this bill was not constitutional; what would happen? The whole matter would be delayed for several years, involving an immense amount of friction, and finally it would undoubtedly come back to parliament again, because parliament would be the only body that could ultimately decide a matter of this kind. This was done in the famous Scottish case where the whole question was referred to parliament, which went behind the merely legal points to secure substantial justice.

Let me comment very briefly on a few points. In the matter of provincial rights I believe the bill is very carefully drawn. An effort has been made in every instance to avoid any trespass on provincial rights as they affect local church property, and moreover concurrent legislation is being sought in all the various provincial legislatures. I should like to point out in passing that if the bill meets shipwreck on this ground of provincial rights it may possibly result in some good, as it may give the general public a little more sympathy with some of us who have brought forward measures in this House only to be told again and again that we cannot act because of provincial rights. It was only the other day that we had the eight-hour day issue before us, and again it was a question of our not being able to take action because such matters were within the jurisdiction of the provinces.

With regard to the question raised by the chairman of the committee (Mr. McGiverin), and others, on the administration of trusts there appeared very clearly two fundamentally divergent conceptions of what the church really was. On the one side the church was regarded as a fixed organization irrevocably based upon one unalterable standard of doctrine. On the other hand the church was regarded as a living organism, adapting itself to the new conditions in which it finds itself existing. Now, I would ask if all these matters are to be settled on the ground of precedent, as the lawyers generally do settle these things; —as their training inclines them to settle them. —How are we to decide which of these two conceptions of the church is to prevail? If we are to regard the church as a fixed organization based upon unalterable doctrine, one decision must be given. If, however, as some of the law lords pointed out in the Scottish case, the church is an organization that may modify its creed and policy from time to time as all other human institutions do, then another decision would perforce be given. On

the general question of trusts why should we allow the dead hand of the past forever to tie action in the present? Because some man one, two or three decades or two or three hundred years ago gave a certain donation in all good faith, and notwithstanding changed conditions must we tie the hands of the people of to-day who are trying to grapple with the problems that meet us from day to day? That is really the argument that is brought forward, and that argument, I believe, a great many of us cannot possibly subscribe to or allow to prevail.

As to the statement that the assembly has no power to annihilate the church I would suggest that this takes the whole question for granted. Surely the church itself is the best judge of what its real life is. I think I may lay that down as a general principle—that the church itself must remain the judge of what its real life is. We are told that if the church unites it loses its name, it loses its identity. Well, let me give an illustration in regard to that. A young woman is married. She loses her name. Does she lose her identity?

An hon. MEMBER: I should say not.

Mr. WOODSWORTH: Is she annihilated?

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Surely in practice we recognize that sometimes there may be a merging of one life into a fuller life. That is the attitude that we take in regard to other matters and surely it is not right to say that because there is a change of relation, the individual or corporation which enters into the new relation is thereby annihilated. The changes have been rung on two terms. I do not pretend to distinguish the exact meanings of these terms—"identity" and "entity". I submit that these are metaphysical and legal abstractions. So far from the lawyers saving us from the difficulties in the case they are largely responsible for the tangle into which we have got ourselves. Let us view the situation from the practical standpoint. The unionists say that the church must go into the union as an entity, and as the bill was first drafted I confess it seemed to me that the people who would not go in were left suspended between heaven and earth. As there could be but one entity, if the Presbyterian church went into that union the whole church went in, and there was nothing left out. But some of the anti-unionists feel that they are very real personalities and they did not know where they were. I do not blame them for feeling that way as it is a legal interpretation that since the entity had gone into the union there was nothing left outside.

On the other hand the anti-unionists, the non-concurrents, claim that they are the only true Presbyterians and hence the entity is outside the union and the individual people that go in, go in on their own account but that it is not the Presbyterian church that is going in. So we have the one group saying they are "it" and they are going in, and the other group saying they are "it" and are staying out.

Now I want to look at this matter not from the legal or theological standpoint but from the standpoint of common sense. The fact is that the Presbyterian church, as far as we on the committee could judge, is irrevocably divided; it is divided into two groups. One group has gone into the union, the other has stayed out of the union. And what is the reason for all this talk of identity? The real reason is because certain property rights lie at the basis of it. If the unionists can establish that they are the true church, they carry the property with them; and if the anti-unionists can establish they are the true church, then they retain the property. That is the real reason why there is so much stress laid by the lawyers on this question of identity. Mr. Lafleur, the counsel for the anti-unionists built up the greater part of his legal argument on what he called the doctrinal basis of identity. Every Presbyterian minister is required to answer this question on his ordination or induction:

> Do you believe the Westminster Confession of Faith, as adopted by this church in the basis of union, to be founded on and agreeable to the word of God, and in your teaching do you promise faithfully to adhere thereto?

A similar question is asked of the elders and deacons. The Westminster Confession of Faith, according to the basis of union of the present Presbyterian church, forms the subordinate standard of the church. I am inclined to think that there is something in the charge that the anti-unionists bring in this case because no less an authority than Sir Robert Falconer said that 90 per cent of the ministers in the Presbyterian church subscribed to that basis of faith only with reservations. On the other hand I want to ask whether all the anti-unionists really believe in the Westminster confession? There are very few copies of the Westminster Confession of Faith now available to the public. We have had certain clauses of it read before the committee and in order that the House may know what are some of the things for which the anti-unionists stand and to which they pin their whole legal argument I should

like to read one or two of these clauses. Chapter 3, section 3 reads:

By the decree of God, for the manifestation of His glory, some men and angels are predestinated unto everlasting life, and others foreordained to everlasting death.

Chapter 6, section 1 reads as follows:

Our first parents being seduced by the subtlety and temptation of Satan, sinned in eating the forbidden fruit. This their sin God was pleased, according to His wise and holy counsel, to permit, having purposed to order it to His own glory.

Chapter 10, section 3 and 4 reads:

III Elect infants dying in infancy are regenerated and saved by Christ through the spirit, who worked when, and where, and how he pleaseth. So also are all the elect persons who are capable of being outwardly called by the ministry of the word.

IV Others not elected, although they may be called by the ministry of the word, and may have some common operations of the spirit, yet they never truly come unto Christ, and therefore connot be saved; much less can men not professing the Christian religion be saved in any other way whatsoever, be they ever so diligent to frame their lives according to the light of nature, and the law of that religion they do profess; and to assert and maintain that they may is very pernicious, and to be detested.

Chapter 25, section 6 reads:

There is no other head of the church but the Lord Jesus Christ; nor can the Pope of Rome in any sense be head thereof; but is that antichrist that man of sin and son of perdition that exalteth himself in the church against Christ and all that is called God.

Now it is not for us in this House to say whether that doctrine is correct or not, but my point is that the whole legal argument of the anti-unionists is built upon the idea of the identity of doctrine—a doctrine that cannot be altered—and that the subordinate standard of faith is the Westminster confession, one or two clauses of which I have read, and which every minister must promise not only to believe but to teach. I ask in all fairness whether the men who adopt this position subscribe unreservedly to every word of this creed. If they do—and I can scarcely conceive it—their case from their standpoint of unalterableness of doctrine is won; but if they cannot subscribe to that without any reservation, I submit that the legal argument on which they have built up their case absolutely falls to the ground.

There are one or two larger issues that are involved which I must mention very briefly. There is the whole relationship of church to state. We as a state claim to be sovereign. The church as a church claims to be sovereign. Now can you reconcile those two sovereignties. I take it that the only possible way of doing so is by remembering that each must be sovereign in its own sphere. I asked a question of the senior member for Ottawa (Mr. McGiverin) a little while ago, when he suggested that the courts should decide the questions of doctrine and of faith. Surely no self-respecting church could submit to a decision by the courts. The church must maintain its supremacy in spiritual matters, and it cannot allow itself to be induced to submit its doctrines to a court or even to parliament. On the other hand, there is undoubtedly the danger that we may build up an ecclesiastical organization that may imperil the state itself. There have been whispers going around the corridors—they have not come before the House perhaps to-day that one of the dangers in this proposed merger is that we should establish a body that will be strong enough to dominate or at least to influence the political life of this country.

Mr. FINN: Might I ask the hon. member what ecclesiastical organization he refers to?

Mr. WOODSWORTH: I refer to the proposed church merger which three strong churches might become powerful enough in this country to influence the political life of this country.

Mr. FINN: And endanger the national life?

Mr. WOODSWORTH: The question has been discussed as to whether it is wise for parliament to sanction a strong merger of this kind, lest it put a strong church in the field which would have an adverse influence over the policies of the country.

Mr. FINN: What is my hon. friend's opinion?

Mr. WOODSWORTH: I would say that such a danger is not quite so fantastic as perhaps my hon. friend might imagine.

Mr. FINN: I did not deal with it fantastically.

Mr. WOODSWORTH: Since my position has been questioned, I would read in this connection a circular which was sent out several years ago by one of the churches that proposes to enter the union. It was sent out by the Department of Social Service and Evangelism of the Methodist church, and was dated Toronto, December 7, 1917, addressed as follows:

To the Methodist people of Canada. Declaration by the executive committee of the General Board of Social Service and Evangelism.

The present duty and paramount responsibility of Canada is to render every possible assistance made for the very highest sacrifices and unity in the most determined purpose to contribute its full share to

win the war, and thus protect the smaller nations against the menace of an aggressive militarism, save democracy from German autocracy and despotism, and establish the dominance of the principles of Christ in international relationships.

And again:

All our annual conferences were imbued with this spirit. Each adopted strong declarations in favour of selected conscription and Union government.

At the polls on December 17, 1917, every Methodist elector, women as well as men, should conscientiously meet personal responsibility and both vote and work for the election of the candidates who stand with the Union government.

And again:

With enthusiastic unanimity, believing the present duty of every Canadian citizen is to support Union government at the forthcoming election, this executive committee of the Board of Social Service and Evangelism of the Methodist church requests that this statement be read from our pulpits and published in the daily and weekly press. We also urge that every Methodist having the right to vote will support the candidates who are supporting the Union government.

I would submit that if a body is to take that attitude of interfering with political matters it might very well be that it might become a danger to the state.

The only possible solution of this question is what has been expressed in the well-known phrase, "A free church in a free state" I believe the church has an absolute right of freedom of self-determination, of deciding whether or not it wants to enter into union with other bodies. I believe that is an inherent right; but on the other hand I urge that we as representing the state have a right to insist that the church must keep its own place and deal with what have been termed spiritual matters, rather than entering upon these definitely political alignments. As we were struggling in committee with these questions of property rights there kept running through my mind the old saying that is attributed to the one who is claimed as the founder of the Christian church:

And one of the company said unto him, Master speak to my brother, that he divide the inheritance with me.

And he said unto him, man, who made me a judge or a divider over you?

And he said unto them, Take heed, and beware of covetouness; for a man's life consisteth not in the abundance of the things which he possesseth.

I submit that essentially the struggle before parliament to-day is a struggle for certain property rights, for the control of certain very valuable properties in this country. The emphasis on the question of "identity" by these churches is not because of the idea of apostolic succession which is common to the Episcopal churches. The struggle is not one

for the right to use a particular name, for there is no reason under the sun why the non-unionist Presbyterian cannot go out to-morrow and use the name Presbyterian. The only name that they may not use is the exact name Presbyterian Church in Canada, and that for purely legal reasons, lest there should be some question over property rights. A great deal has been said by both sides each claiming that the struggle is a struggle for religious liberty. I cannot see that this is at all a struggle for religious liberty. Presbyterians who want to remain Presbyterians and to accept holus-bolus the Westminster confession can remain Presbyterians and no one in this country will say them nay. The unionists, if this bill is defeated, can go into union with every provision in this bill except property clauses and no one will say them nay. Let us face that fact. The real situation is that the rival groups are not content with regard to property arrangements.

That brings me to the point which I should like to emphasize before I close. I cannot think that the present bill contains a sufficient safeguard for the minorities. As far as I can judge the division of the general property is as fair as can be arranged. In fact, it is more generous than any provision that has been made in any previous union. But when we come to the property of minorities within congregations, it does not seem to me that the bill is quite fair. That, after all, is the question with which we are concerned in this parliament. I have mentioned doctrine, not because I wish this parliament to discuss doctrine. I have mentioned church organization, not because I believe this is a matter that we are asked to decide. But we are asked to decide the question of a fair division of property between the two sections of the Presbyterian church,—the other two churches apparently being satisfied with the union arrangement. So, my suggestion is—and I should like to offer it, perhaps, as an amendment at a later stage in the bill if no one else does so—that we should, where necessary, go below the congregational unit and endeavour to provide that no minority is penalized by the proposed union. At the present time a congregation may vote itself into union or out of union, but it goes as a congregation. If in any congregation there is, we will say, 40 per cent of a minority, that minority of 40 per cent has no legal claim on the property. That seems to me to be a hardship and none the less so because it works both ways. If the majority is a unionist majority, it is a hardship for the minority that remains Pres-

byterian. On the other hand, if the majority is Presbyterian, it is undoubtedly a hardship for the unionists.

I will give a particular example of this in my own city of Winnipeg. I am given to understand that in that city every Presbyterian congregation is in favour of church union, but in a number of local churches there are very substantial minorities. I am told that a somewhat similar situation prevails in Saskatoon, Regina, Moose Jaw and Edmonton where the vast majority are in favour of union, but where there are substantial minorities. What happens in such a case? It means that people who have worked for years to build up a common cause would be, by this bill, if it becomes law, deprived of all rights in that local church property. They would not have a right as a minority even in the general church property. I am told by the lawyers—and I suppose I must accept their ruling in this regard—that it will be impossible for us in the Dominion House to legislate with regard to local congregational property; that that is a matter for the provinces to decide. If this ruling is correct, we cannot do anything with regard to congregational property, and that will have to be dealt with by subsequent legislation in the various provinces. But these local minorities within congregations have, in my judgment, certain claims upon the general church property, and we might introduce an amendment to this bill which would recognize those claims and make provision so that as little hardship as possible would be worked upon the minorities. I know that this is said to be impracticable; that it would create a good deal of talk and trouble in the various local congregations; that it might maintain dissension for many years; but any dissension that might take place would not be nearly so serious as the sense of injustice which would rankle in the minds of many minorities if this bill is allowed to go through in the form in which it now comes before the committee.

As regards the bill as amended, let me say again that I think, in referring the matter to the courts, we are not by any means settling the problem; we are merely deferring what must ultimately be settled by this House, and further we are putting into the hands of lawyers questions that must be settled on other than purely legal grounds. I shall have to vote for the amendment moved by the hon. member for Lisgar (Mr. Brown).

Mr. W. G. RAYMOND (Brantford): As a member of the committee, I should like to associate myself with the committee's report that was I think, well explained by the chairman. I am not a member of any of the churches that are proposing to effect this union, and consequently I have not been affected as much as some others, perhaps, by the explanation of the various doctrinal points that have been raised. I think, in fact, that in that we have rather gone outside of our sphere, if I may be permitted to say so. A very plain question presents itself to me in connection with this matter and it has done so from the first. It is presented shortly and clearly in a circular sent out by those in favour of union after the bill has been amended in committee. In the very first sentence of that you will read that the object of the promoters of union in introducing the measure is that it will prevent litigation.

That may seem to some a very harmless phrase; but to me it conveys a good deal, and I think we should look into it very carefully, because in it I believe we shall find a reason why every man, who understands the principles that are at the very basis of our constitution, would see that he would stand by the report of this committee. We should ask ourselves: What litigation is it that is proposed to be prevented? Have the parties to that litigation a right to enter upon it and is it within the province of this parliament to prevent the exercise of what I have always understood to be the inalienable and inherent right of every subject,—the right to apply to the courts of the land for justice and more than that, to carry his appeal to the Lords Justices of Appeal, to the Privy Council, as we say figuratively, to the very foot of the Throne I think those principles are assailed in the prevention of the receipt of the report of this committee. I think the matter that was taken up was very carefully considered, as was pointed out by the chairman, the hon. member for West Hastings (Mr. Porter), and the hon. member for Centre Winnipeg (Mr. Woodsworth), who gave a good resume in part of what took place, and the report that is presented to the House was not obtained without a great deal of earnest consideration. It does not seem to me, therefore, that hon. members who have not followed the matter up should now, without the same opportunity of hearing both sides which members of that committee had, vote for an amendment to the bill which would destroy the bill as it came from the committee.

Now, the three churches that have been applying for union are old historic churches; it is not necessary at this time of night to remind any one that each of these churches has a very creditable place in the history of our race both in the Old Country and

in Canada. But it is claimed that these churches have entered into union and that they have done so by means of their own courts and their own organization, and I do not think there is any difference of opinion in that regard in the case of either the Congregational church or the Methodist church. In the case of the Presbyterian church however there is a minority, we will call it a section of the church, which has entered an appeal to the Supreme Court of Ontario, complaining that the General Assembly of the Presbyterian church in entering into union did so ultra vires of the laws and the constitution of that body. What right has this House to take away from that minority the undoubted right of appeal in this case? If the minority consisted of only one individual citizen this House in my opinion would have no right to deprive that person of the right of appeal to the courts of the land for justice. But the minority consisted of more than one man. I do not know offhand what the membership of the Presbyterian Church in Canada is, but it has not been claimed at any time that more than one third of that church has been in favour of union; and consequently the appeal is made on behalf of the remainder of the church which would constitute as I believe a considerable majority of the members. It might possibly be within the legal power of parliament, because we know that parliament is supreme, but certainly it is not within the moral right of this House to prevent that section of the Presbyterian church, a majority as it would seem, from applying to see if they can obtain what they consider justice at the hands of the Supreme Court of Ontario.

This is not a question of the court or of this House deciding upon the creed of these people. The question that the courts have to decide is whether the General Assembly of the Presbyterian church have acted within the constitution of that church; and if points of doctrine come up to be decided upon I think that any man of common sense who has listened to this debate so far will agree with me that the cold minds of trained judges would be far better to consider such points than would a committee of the whole of this House. I say this without any disrespect to the members of this House, but because the judges of the Supreme Court of Ontario are men who have been elevated to the bench by reason of their great ability, their fairness and their judicial powers and because they have trained minds and are able to know what is evidence and to make the necessary comparisons in these matters.

[Mr. Raymond.]

I do not think therefore that we have any right in this House, indeed I think parliament would be exceeding its moral right, and its public sense of duty, if it interfered with that appeal being taken to the courts.

I do not know that we need go much further than that. It is pointed out in this circular to which I have alluded,

11 p.m.

containing the objections to the bill as amended and as now before the committee, that parliament is the highest court of all in the land. Well, we know that parliament is above any other body; it was not necessary to learn this from the circular in question, because we know that nothing under heaven is above the power of parliament. That was set forth nearly three hundred years ago when it was established that the government of the land under God was in the hands of parliament; and we know that parliament has arranged royal marriages, the union of countries, the succession to the throne and, on one occasion, has even brought the king to the block. So that we cannot very easily put much above the power of parliament. We will grant that parliament has all this power. But I maintain that the more power we have the more carefully and the more considerately should we use it. We should not use that power to block the right of any person or any section of persons who wish to appeal for justice to the courts of the land.

It has always been considered the inalienable right of the British subject to appeal for and to obtain justice at the hands of the courts. And the history of our constitution, the history of the development of our race, show clearly that it was the passion for liberty and the respect for justice going hand in hand that made our people great, so that British justice is the word that is used the world over when people wish to speak of that earthly kind of justice which is regarded as most nearly like the divine. When you go back in the history of the race long before there was such a thing as printing and before there were schools or education, you will find that there was a kind of belief in justice among the people, the principle being almost a settled faith with them; it will be remembered that in the trials by ordeal and the trials by combat appeal was made to the justice of the cause. I look upon justice as a sacred quality and one which this House should revere; I venture to say we should revere it just as dearly as we do any church whatever or any combination of churches.

But in my opinion we are asked now to violate the principle of justice in not putting

this bill through as it came from the committee. As the bill came from the committee it does not deny the right of appeal to the courts, which as I say is the inherent and inalienable right of anyone in the land who wishes to avail himself of it and to carry his appeal if necessary to the very foot of the throne. It may be because I have not made a study of theology or of anything of that kind, but I find it difficult to understand how one set of Christian people who read the teachings of Jesus Christ as I read them would want to take a church or a minority of a church and force it into union against its will. That in itself, it seems to me, is not a Christian principle, and I do not think there can be any satisfactory and beneficial union of these churches unless that union is made entirely voluntary upon the part of the contracting parties. Indeed, that was the principle set forth in 1911 by the General Assembly of the Presbyterian church. I do not think that any section or part of any church should be forced into union, as those Presbyterians complain who object to the union on the ground that the church of their fathers is being annihilated. These people state that the union has not been properly and legally consummated according to the laws and the constitution of their own church, and they have the right to make the objection they do.

It would be far better in the interests of real religion if time were given for a union, until a feeling of union could be effected and the difficulties overcome. I do not see why there is so much impatience on the part of those in favour of union to have this measure consummated immediately. They have not taken the bill up fairly as it is before us this evening; they have not shown us what is the difference between the original bill and the amended bill, except that the amendment proposed will take away the right of litigation from those who think they are aggrieved by the passage of the bill in its present form.

A parallel was drawn a little while ago between marriage and the union of the churches. It was said that a woman in getting married did not of necessity lose her identity or become annihilated. I do not think she does in every case. But I could not help thinking when I heard the parallel drawn that in some countries marriages are contracted by the parents and guardians of the young people. To carry the parallel through, it would seem to me as if in this case such a contract had been made and that at the last moment it was found that the bride objected. No consideration. however, is being given to her objection; those enthusiasts who believe in union assure her that she is not going to be annihilated, and they proceed to take her by the scruff of the neck, drag her up to the altar and have the union consummated. I am reminded of a case which occurred in British history a number of years ago, when a royal marriage was conducted on something of the same plan. The royal bride was forced into the marriage against her expressed will, and the comment made at the time by the Marquess of Huntly was that he did not dislike the match but he hated the manner of wooing. That is the case with this union bill. I believe every man in that committee was in favour of church union. From what has been stated here it would seem as though some were in favour of union and some were against—were anti-unionists. But that was not the case so far as I observed the work of the committee; all were in favour of union, but all wanted it to be a union that would be fair and just and equitable, one that would not deprive any persons or any groups of persons of what they considered to be their rights.

The Presbyterian church is an old historic church, the history of which has endeared it to more than a usual extent, I believe, to its members. I have seen strong men with tears in their eyes protesting against the destruction of the church of their fathers. What answer could we give to such men if we lightly legislated that church out of existence or allowed it to be legislated out of existence by taking away from them under this bill that right to appeal to the courts which naturally belongs to them?

I shall not further take up the time of the committee at this late hour. I have indicated sufficiently my stand on the bill. Hon. members can see the real reason why no one who values the traditions of the House can support the bill or vote for it, namely, that the legislation prevents litigation, that is to say, prevents or interrupts the right of certain persons to appeal to the courts, something which should be the inherent and inalienable right of every citizen. I therefore wish to support the report of the committee. The basis of our whole constitution, the greatest boast of our land and of our race, has always been our recognition of the principle of justice. If that principle was ever lost sight of we could not continue to carry on the proceedings of this House. The chairman as he presides over the meetings of this committee represents that principle, just as the king as he presides over the country represents it, in poor imitation of that greater justice which is divine. As far as we can we imitate that justice, and we

should not at any time depart from it. We should regard it as the sacred right of any man to obtain justice as far as he can from the courts of the country, and it is because I feel that the amendment proposed by the hon. member for Lisgar would have the effect of departing from that justice that I shall have to oppose it.

Mr. HAROLD PUTNAM (Colchester): It is always a pleasure to hear the rare diction and the exceptionally pleasing delivery of the hon. member for Brantford (Mr. Raymond). In this instance, however, I feel that much of his doctrine is wide of the mark and lacks a concrete application to this case. I would say of the hon. member, with all the respect due to any clever and distinguished layman, that had he been a lawyer I do not think he would have made such an ill-conceived application of legal principles as he has to the particular case in point. But for the fact that I was unavoidably absent from the Private Bills committee during the discussion and the vote on the amendments which it is now sought to delete, I think I should have given a silent vote on this occasion. It happened that that was almost the only sitting of that committee which I missed.

I listened with care to the hon. member for West Hastings (Mr. Porter) when he argued that this was not a proper case for the committee of the whole to review. He said that the committee below have heard the witnesses and on that point he attempted to build up an analogy with the taking of an appeal from a minor court to a supreme court. Where there is any question with regard to the credibility of the witnesses of course the court below has a tremendous advantage, and the court above will seldom interfere in that respect. But this, Mr. Chairman, is by no means a case of that kind. Let us not on an occasion so important as this forget to be practical. The honesty of the witnesses who gave their evidence before the committee below is unquestioned. Having regard to the character of those witnesses, to their demeanour and to the well-nigh sacred nature of the subjects with which they at times dealt, I am sure that nobody at any time thought of raising a question as to their credibility. In that respect, therefore, the committee of the whole is in the same position as the committee below. Then we have to take into account that, in substantial part at least, the committee below was concerned with questions of law and procedure, with questions of theological doctrine. Does anybody suggest now that we are not in just as good a position as the committee below to decide these things according to that doctrine, according to that theory, and according to the facts?

Mr. PORTER: When did this House ever hear the evidence given before the committee or have an opporunity of reading it so that they would know what it was?

Mr. PUTNAM: I concede that the evidence was not printed, although if anybody had really insisted upon it that might have been done. But the doors were wide open to the public, the gallery of spectators was exceptionally large, and a battery of newspaper reporters was present who synopsized the proceedings and wired them out every few hours. So that there was the utmost publicity, and it is merely an academic argument for the hon. gentleman to say that we are not now in as good a position to look into the facts, theories and doctrines, the law and justice of the case, as was the committee below.

Mr. Chairman, I want to make my remarks brief, and to make them revolve rather strictly around the immediate clause under discussion. As to that clause it is significant that we had a statement from the chairman of the Private Bills committee to the effect that counsel were not heard upon it. I will join the preamble with that clause. I will gladly lay at the feet of the chairman of the Private Bills committee my tribute to the spirit of justice which he displayed, to his fair demeanour, to his attempt to be impartial. I was informed by some of the committee—I have already said that I was not there on that precise occasion, although I attended at all hours all the other sittings—that counsel were denied the right to appear before the committee on this particular amendment. As to the reason for that I am not going to inquire. I know that the chairman had conscientious reasons. Whether they were right or wrong—

Mr. DUFF: It is not fair to blame the chairman. The committee decided that, not the chairman.

Mr. PUTNAM: If the hon. member would weigh what I have said, he will find that I was careful not to blame the chairman. I heard the explanation of the chairman that that was by arrangement, but I do wish to be practical to-night, and all the way through, and it is a fact that members of that committee, largely laymen, found themselves at that point, and only at that point, without

the expert advice and assistance of counsel as to the exact meaning of that amendment. I will not say they misapprehended the clause; I think I could give evidence on that. I will say it is only too easy a matter of inference that they, as laymen, could well have misapprehended that clause, and it was a thousand pities that the able and reputable counsel for the unionists or against them were not heard on that particular amendment, as to which the committee made it very plain they wanted to hear counsel.

Mr. DUFF: The committee decided against hearing counsel.

Mr. PUTNAM: Members of the committee insisted counsel be heard.

Mr. DUFF: One.

Mr. PUTNAM: It may have been one or more. One may have expressed the wish of many. The significant fact is that counsel were not heard as to that amendment, though heard fully on everything else in this bill, and I ask the House to remember that.

Earlier in the history of this bill there were a great many people in the country, and I admit there are substantial numbers yet, who were absolutely opposed to this bill, and for its rejection in toto. I wish to show that those in favour of these amendments and those against them are much nearer together to-night than perhaps they realize. I think it is scarcely necessary for me to say that I believe this dispute and this conflict has been carried on with the best of good faith on all sides. I saw no evidence of anything else in the committee, and I have seen no evidence of anything else in this House. I am going to assume that that common honesty and that common good faith existed and still exist on both sides. There was a time when the opponents of this union throughout the country were opponents whom I might call out-and-outers. There were witnesses before the committee who wanted, not a modification of the bill, not an amended bill, not a compromise on the bill, but an absolute rejection of the bill.

Mr. DUFF: Hear, hear.

Mr. PUTNAM: That opened an impassable gulf between the one side and the other. The hon. member for Lunenburg says "hear, hear." He himself—

Mr. DUFF: I said it this afternoon.

Mr. PUTNAM: And he says it now. There was at one stage that impassable gulf. Now the gulf is pretty nearly bridged, and I say it in all good faith, because in this report coming from the committee you get no echo of the voice of the man who may call himself an anti-unionist. Why? There are two classes in this discussion now. There are those whom I will call the unionists, and there are the conditional unionists who say, not that they are opposed to this bill, but that they will consent to it on two conditions; if the bill will successfully run the gauntlet of those two conditions they are unionists too, and will vote for the bill, with all its main features and all its incidentals. Now, can people who take that position really in their reflective moments believe that this bill is fraught with great injustice or any great evil? If they did, what should be their attitude? Independently of what the civil courts might say, or a church constitution might say, their attitude would be: We shall not suffer injustice; we shall not suffer wrong of a substantial kind; we will still be opposed to the bill and opposed to it without any modification of our attitude. Now I wish to tell this House and the country that so far as that attitude is concerned it completely disappeared in the Private Bills committee, and it has completely disappeared so far as this House is concerned. The anti-unionists have completely disappeared, and we have now two classes of unionists.

Now what are those two conditions upon which the conditional unionists are willing that the bill pass? I am not going to be told, I shall not believe it if I am told, that when those who support the amendment proposed by the hon. member for Lunenburg, setting up as a first condition that if this bill will successfully run the gauntlet of the civil courts and it is thereby decided that the Presbyterian church proceeded constitutionally, according to the church meaning of that term, say the bill will be all right under that condition, they had any intention of fraud whatsoever. It would be, I contend, a species of deception, a species almost of fraud, if they felt or if their counsel felt certain in the back of his head that the issue would be sure to be determined against the unionist and that it would be found that the church courts had not proceeded constitutionally. The very conscience of the gambler will recoil from betting on a certainty, and I say these men were not betting on a certainty. They were acting in good faith, and they said: We are willing to submit a fairly divided probability to the civil courts, and if they decide that the highest court of the Presbyterian church has acted constitutionally we will let the bill come into force. I say it was a fairly divided pro-

position, because I do not think anybody here is dogmatic or arbitrary enough, I well-nigh said foolish enough, to say there would be any certainty as to the issue of that law suit which would ensue. No man could be sure of it.

Well then, Mr. Chairman, here we have our pure unionists, and our conditional unionists; and our conditional unionists are merely laying down that if it turns out from the pronouncements of the civil courts—I want to emphasize this—that the Presbyterian church in the strictly narrow sense has proceeded constitutionally, they will let the bill go through with all its blessings; and if the conditional unionists really believe that the bill is fraught with any of its alleged evil or injustice they would let it go through with these too, would they? They are willing to help it through if the civil courts will do so. I say that proves that nobody in this House is unalterably or unreasonably opposed to union. It proves that not even the conditional unionists consider that this bill is really a very bad one.

Perhaps I am compelled to withdraw the word "unreasonably," because after all I think our attitude should be to treat this matter largely on its merits, not to make an idol of the constitution of the church to the extent of saying that the technical reading of its constitution shall determine the life or death of this bill, quite independent of the merits or the demerits of the conflict and controversy which have been created around this particular measure. It is true that they ask us to run the risk of another conflict which is this: That if the Supreme Court will say that this parliament has jurisdiction to pass the bill as respects that part thereof which professes to deal with federal legislation, then they will be prepared to allow that part to go into effect and take the results. I say that in this respect it is another place wherein those who support this amendment,—the conditional unionists as I term them for the want of a better name, and I do not say that with any disrespect,—will find themselves under the most grave danger that the union bill would run that little risk. Because—and I think I may say this without incurring any risk of being guilty of bad taste—there is a statement from the Deputy Minister of Justice and there is no sounder lawyer within the bounds of the Dominion. He has given his opinion that there is no question that on this second branch of these two conditions the unionists are in the right and that this parliament has jurisdiction. I do not profess for a moment to be anything more than a very humble lawyer but I will say this—that if as between the provincial and the federal jurisdiction we have not the power to unite bodies of this kind it is high time we knew why, and it is high time that our constitution in that respect should be amended. Personally I have the belief that there is ample power, and that if the conditional unionists are counting on only a bare chance on that branch of their amendment they would lose.

Mr. BOYS: The hon. gentleman has referred to the opinion of the Deputy Minister of Justice. That is very important. Was that opinion committed to writing, and is it available?

Mr. PUTNAM: I could not say as to that. I am very credibly informed that the Deputy Minister of Justice gave that opinion, and I asked my informant whether it would be proper to make this statement on the floor of parliament.

Mr. BOYS: The hon. member has stated that the deputy minister has given such an opinion, and I have not the slightest doubt that when he makes the statement he is correct. But I think other members are entitled to the information if it is available. It is certainly very important inasmuch as it involves one of the very amendments to this bill.

Mr. PUTNAM: I cannot guarantee that we can get the opinion in writing; I have had no immediate experience in regard to that sort of request. I feel absolutely certain, however, that the opinion was unequivocally given by the Deputy Minister of Justice.

Mr. BOYS: Will the hon. member tell me to whom the information was given?

Mr. PUTNAM: If I gave the name it would carry absolute respect throughout Canada, but perhaps the hon. gentlemen will excuse me from linking up any further name in this connection.

Mr. BOYS: I am not trying to pry into anything of a private nature, but if we can get the information it will prove advantageous to every member of this House. If this is a private matter I can assure the hon. member I do not wish to press my request, but I would have thought, however, that if the Deputy Minister of Justice had been asked for an opinion on this very important matter that opinion would have been available to all the members.

Mr. PUTNAM: I can only say that when I have completed my few rambling remarks I shall be very glad to see the hon. member privately and ascertain whether Mr. New-

combe's opinion can be again disclosed and whether we can get it in writing. I do not doubt the good faith or question the courtesy of my hon. friend in pressing his question as he has done. Now then, if we admit that there is at least a fair probability that on the last branch of this amendment the conditional unionists would lose and the real unionists would win, it simply resolves itself into the sole remaining question of whether we are going to make such an idol of the strict technical interpretation of the constitution of the Presbyterian church as that it must permanently hold back a great movement of this sort, as that it must be considered as something upon which human hands may scarcely be laid at all.

Our friends who support the challenged amendments to this bill appeal to the case of the Scottish church in the Old Country. I have no quarrel with that except that those gentlemen do not go the full length of the experience there. That is to say they settle upon the result of the litigation: they will not go to the next step and look at the result, and look at the initiation, of the legislation. It is true that the two Presbyterian churches which tried to unite in Scotland—the Free church and the United Presbyterian—made a constitutional mistake. It turned upon a very small matter indeed, and as the case ran through the Scottish courts each one of those courts said that no mistake had been made; that the churches had perfect authority to unite as they did without any recourse to parliament. It came up to the House of Lords, because that body of course is the highest court of appeal in such a matter. They weighed the matter and they were divided three to three. In that event, but for the death of Lord Shand, the decisions of the Scotch courts would have stood and it would have been proclaimed to-day that those churches united properly without any recourse to parliament. When Lord Shand died there was a re-hearing and the majority by four to two decided that because the Free church departed in a slight particular on a question of what was called patronage from the doctrine which it had believed in former years, but which even then had lain dormant for many years, it could not carry property with it, and therefore in a practical sense the union could not be consummated. What did they do? They immediately went to the Mother of Parliaments herself, and she gave corrective legislation upon which I am not going to dilate to-night. But when this Canadian Presbyterian General Assembly sought to bring about union they apprehended this very thing. It is in their appendix of law, and there they categorically refer to the unfortunate and technically unconstitutional experience of the Scottish church in getting into that little blunder and they said "We will make that right by making the legislation supersede the possible law suit". In Scotland the law suit came first and the corrective legislation afterwards. Here we are putting the legislation first. We cannot prevent anybody from going to law, but we want to make it humanly certain that nobody can disrupt this union by carrying tedious litigation into our civil courts for a pronouncement.

Mr. BOYS: Would my hon. friend permit me a question on the second clause? He has dealt with the reference which the present bill provides to the courts on a constitutional question under the British North America Act. Would he agree with me that is a question that those who are opposed to this act can have tried no matter what this parliament does?

Mr. PUTNAM: That they can have tried—is that what my hon. friend is asking?

Mr. BOYS: Suppose we put the bill through with that clause out, it would be quite proper in the pending suit to have that very question decided in the courts; in other words to ascertain whether or not the act would be ultra vires; and if the act were held to be ultra vires, you would then have the whole union which it was sought to consummate upset; and that is a right which they would have no matter what is done in this House.

Mr. PUTNAM: I do not understand that there is any pending litigation now which would settle the question. The pending litigation would settle only at most the present constitution of the Presbyterian church in one or two particulars. Of course I am willing to stand corrected. Does the hon. member say the suit now pending would deal with the wide question of the jurisdiction of parliament to pass the bill?

Mr. BOYS: I have no hesitation in saying that the action which was commenced last January, in which issue has been joined, and which is now pending for trial in Toronto involves the two questions, namely the right of the General Assembly to do what they did, and also the question of property and civil rights. It is alleged that this very act assumes to deal with property and civil rights, and that therefore this act is ultra vires.

Mr. PUTNAM: If I could feel that there was any doubt about that latter point, I would think it a great pity that the point could not be decided before this measure is further dealt with.

Mr. BOYS: That is the way I feel about it. That suit will be pressed to a decision in any event, and is it not better to obtain a decision and know where we are, rather than to have union consummated, and then to have the courts decide that union is ultra vires? Such a decision would produce a chaotic condition.

Mr. PUTNAM: I find myself unable to take that view very seriously, namely as to whether this federal parliament has the right to go as far as it professes to go in this bill. I now therefore come back to my first position, that I do not think there is anything in the doctrine of the Presbyterian church which would tie the hands of this church forever if it wanted to consummate a union with some other body of worthy Christians. That is the effect of one branch of this amendment: Submit that to the civil courts and see what they think about it. Quite apart from that immediate aspect of the matter, the church is not supposed to run to the civil courts to have those courts pronounce upon its own constitution. In the Old Country it was decided, perhaps narrowly, that the church must do that. In the United States we find that the civil courts would refuse to review the constitution, the discipline, the procedure, or any such cognate matters, of the church as has been done in Britain. The matter simmers down to this: If you could submit to an American court the question of the constitutionality, the first branch of the amendment, to the United States courts, they would say, "We will not interfere with what the General Assembly of the church in the United States has done". That matter was decided in a case in the Supreme Court of the United States. I will read a few lines from the judgment in that case to show the view they held as compared with the British view. I refer to the case of Watson versus Jones, Supreme Court of the United States Reports, volume 80, pages 679-789, and I read from the controlling judgment as follows:

> We can very well understand how the Lord Chancellor of England, who is, in his office, in a large sense, the head and representative of the Established church, who controls very largely the church patronage, and whose judicial decision may be, and not unfrequently is, invoked in cases of heresy and ecclesiastical contumacy, should feel, even in dealing with a dissenting church, but little delicacy in grappling with the most abstruse problems of theological controversy, or in construing the instruments which those churches have adopted as their rules of government, or inquiring into their customs and usages.

Then the judgment gives the American view as follows:

> It is not to be supposed that the judges of the civil courts (in the United States) can be as competent in the ecclesiastical law and religious faith of all these bodies as the ablest men in each are in reference to their own. It would therefore be an appeal from the more learned tribunal in the law which should decide the case to one which is less so.
>
> We have said that these views are supported by the preponderant weight of authority in this country, and for the reasons which we have given, we do not think the doctrines of the English Chancery court on this subject should have with us the influence which we would cheerfully accord to it on others.

Now when we consider that the Presbyterian Church in the United States is many times as large and wealthy an organization as the Presbyterian Church in Canada by reason of the population and wealth of that country, and when we consider that that church in the United States is renowned for its generosity and philanthropy, that it will not bow to the civil courts there upon any question of its own constitution, and is not compelled to do so, it is a fair question whether in Canada the Presbyterian church should not follow the rights of the Presbyterian Church in the United States, rather than to go to England for its law in an extremely close decision in that respect. In England the Lord Chancellor is technically head of the church and not afraid to grapple with questions of theology and church constitution.

The hon. member for Brantford (Mr. Raymond) spoke very feelingly about the rights of the minority. He thereby made the confession that those who are not unionists are in the minority, which in a sort of hesitating way has been widely denied by those whose attitude is extreme. Now we have to take into account the rights of the majority as well as the rights of the minority. What chaos would follow, and what an abnormal condition of affairs would ensue, if the majority of the Presbyterians, and the overwhelming majority of those who speak in the Presbyterian church courts, and ostensibly all Canadian Methodists and Congregationalists, would find that, after all this preparation they were thrown back where they were before, and that they must therefore in the future lie helpless behind a strict interpretation of the constitutional procedure in the Presbyterian church. There is no question the Presbyterian church has the right to change its procedure. There is a question whether it can change it and carry with it the property.

I was sorry to hear the hon. member for Centre Winnipeg (Mr. Woodsworth) go as far as he did in his contention, because he strongly suggested that this was largely a question of property or a struggle for property. As far as I have watched the motive of both sides in this unfortunate conflict, I think that is furthest from their thoughts. I think their motive is to do more good in the world by the agency of their United church than they have been able to do in the past. I am utterly at a loss to know whether their ambition will be accomplished. I am an adherent of the Presbyterian church myself, although I never felt myself worthy in spirit to enter into the full communion of that church, but from the evidence before me and from the spirit which I see on both sides, I resent the imputation that this is any squabble for property, and I hear men on both sides say that they wish they could divest themselves of the question of property and that they wish they could stand up and convince the onlooking public that they were animated by very much higher motives. I know that some of the leaders on both sides would be willing to walk out without scrip or purse as regards the church property if thereby they could advance the kingdom which is so dear to them. Whether the unionists may realize their splendid ambition for the results of this union I myself have doubts. I have grave doubts whether to some extent they shall not be disappointed. But I am asked by the supporters of this amendment to take the responsibility of holding back those people who wish to go forward in this great and spontaneous movement, because the constitution of the Presbyterian church, by a strict interpretation, must be held, as it might be held by a civil court, as forever impossible of being changed or departed from. I intend to look at the movement on its merits and to agree incidentally that if the technical church constitution must be over-ridden, it must. It was over-ridden in the Old Country, in Scotland the home of Presbyterianism, and it can be here, without violation of the conscience of any reasonable man. We have been told that there is injustice here. If anybody even at this stage can show wherein that injustice lies and can propose feasible amendments whereby, on the property question or on any other question where injustice is alleged, this bill can remove that injustice, I shall give it my support. But for the meantime—and I came to this decision after a great deal of thought; I have kept an open mind on the subject all through the hearings I have attended—although as an adherent I had at an early stage voted against this proposal for union, I have come to the conclusion that it is my undoubted duty to support the bill with this cardinal amendment removed.

Hon. E. M. MACDONALD (Minister of National Defence): In the remarks which I propose to address to the committee at this stage, I wish it to be distinctly understood that I am not speaking for the government of which I am a member. It is well understood that upon this great subject there is a division of opinion amongst the members of the government just as there is amongst members of the party to which we are attached, and amongst the members of all the parties which are to be found in this House. Personally, my attitude in regard to this matter is that I am opposed to the amendment moved by the hon. member for Lisgar (Mr. Brown). I wish to point out to the committee the position in which that amendment stands and to raise the point that it should be ruled out of order. If the committee will direct its attention for a moment or two to the matter which I am about to submit to it, I feel sure that hon. members will agree with me in the conclusion at which I have arrived after considerable deliberation. I hesitated about bringing this question to the attention of the committee before I had thoroughly and completely satisfied myself as to the impropriety of the amendment of the hon. member and as to the position which I am taking being absolutely correct. The position of the matter is as follows: Section 2 in this bill is the matter under consideration and the question has been put by the Chairman. The hon. member for Lisgar gave notice that, in regard to section 2, he would move this afternoon as follows:

> That the whole of section 2 of the said bill be stricken out.

The committee will notice that the proposition is that the whole of section 2 be stricken out:

> And the following substituted therefor:
>
> 2. This act shall come into force on the 10th day of June, 1925, except the provisions required to permit the vote provided for in section 10, being taken, which shall come into force on the 10th day of December, 1924.
>
> 3. And that section 10, subsection "B", be amended by adding thereto the words, "On matters affecting the disposal of property."

My hon. friend proposes first that the section be stricken out, and he proposes this by way of amendment. He also proposes that two distinct substitutions shall be made.

Mr. BROWN: The last part of the amendment No. 3 is not part of the amendment that I moved this afternoon. That is an amendment that was intended to be brought up when that stage of the bill was reached.

Mr. MACDONALD (Pictou): If the hon. member wants to have the section that he has marked here, section 3, considered at a later stage of the bill, he had better give a new notice, because the notice is applicable to two distinct sections. I take it, of course, that my hon. friend moved only that portion of this clause of which he gave notice which is contained in the two proposals, first:

That the whole of section 2 be stricken out.

And second:

And the following be substituted therefor:

"This act shall come into force on the 10th day of June, 1925."

The question is whether, under the rules of the House, it is possible absolutely to strike out a section in a bill or the whole of the terms of any motion or question that comes before the House for consideration and to substitute some other proposal for it. If we look at the rules in regard to the question, we shall find that in Beauchesne's book, rule 36 on page 93 states:

When a question is under debate, no motion is received unless to amend it.

That is, by changing in some way the proposed resolution or section or question:

To postpone it to a day certain; for the previous question; for reading the Orders of the Day; for proceeding to another order, to adjourn the debate; or for the adjournment of the House.

Other than for those purposes no motion can be made affecting a section or a question. Clause 331 goes on to state:

A motion may be amended: (a) by leaving out certain words.

In an existing resolution or section.

(b) By leaving out certain words in order to insert other words; (c) by inserting or adding other words.

My hon. friend does not do any of those three things. He proposes to destroy the clause altogether and to substitute another clause for it. In other words, he proposes to do two things at once; to strike out wholly section 2 of the bill and, second, to insert a new section in the bill. Under the rules he cannot do this. As to that the authorities are so clear that there can be no question about the matter. First in May at page 258 there is this statement:

The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon, or to present to the House an alternative proposition either wholly or partially opposed to the original question. This may be effected by moving to omit all the words of the question after the first word, "that", and to substitute in their place other words of a different import.

If my hon. friend had moved that section 2 of the bill should be amended by striking out all the words after the words—

This act shall not come into force.

—and then substituted the words which he proposes, he would be within the rules, because he would be altering in some way a section in the bill and leaving the origination of that section, so that his substitution would be regular. But my hon. friend was proposing to do two things. This is the position that the House would be in. A resolution to strike out a section in a bill absolutely is a matter to which we might all give adherence. That is one issue. It would remove from the bill a section which provides certain things. But when my hon. friend goes further and moves not only to strike out a section absolutely, but to insert an entirely new and different clause, the House is asked to vote for two propositions at the same time, one way or the other. It is up to every hon. member to say first whether he is in favour of striking out the clause or not. That is a substantive proposition. He is also compelled by reason of my hon. friend's proposition to consider whether he would vote for the substitution. Now, that is where my hon. friend runs counter to the rules. The point is so clearly stated by Redlich, third volume, page 94, that if the committee will follow me closely they will agree that no language of mine could make the situation more obvious. Redlich says.

It is irregular to move by way of amendment to omit a whole clause and to substitute another. Such a proposal is equivalent to proposing a new clause. The rules insist upon such a substitution being carried out in two stages: the old clause may be struck out first and the new one inserted afterwards. But the insertion of the new clause may only be made after the whole text of the bill has been gone through and all the amendments thereto disposed of.

According to Redlich therefore my hon. friend is clearly out of order. It is positively stated that it is irregular to move by way of amendment to omit the whole of a clause and substitute another, and that is what the hon. gentleman is proposing to do. That rule is observed for a very necessary and obvious reason which I have already given. If the hon. gentleman desired to have clause 2 struck out he should have moved that it be deleted, and given notice of a subsequent motion at any time for the substitution of a new clause. He could not, however, move at one and the same time that the old clause

be struck out and the new one substituted therefor, because the two things cannot be done simultaneously under the rules. Therein my hon. friend has failed. Now, we have had a debate on this matter all afternoon and evening touching the merits of clause 2. How many hon. gentlemen have discussed the new amendment proposed by the hon. member? I do not think I have heard any hon. gentleman who has addressed the committee throughout the debate give any consideration for one moment to the new amendment which, if it were in order, my hon. friend is asking the committee to adopt. The course open to my hon. friend, if the committee is agreeable, is to withdraw the amendment he has moved. If he wishes to attack the existing clause in the bill he must do so by a specific notice of motion for the purpose, but he cannot by any possibility under the authorities I have quoted do the two things at once. As hon. gentlemen are aware, it frequently occurs in this House that an amendment is moved to a motion which is under consideration. What is the nature of such an amendment? It is to the effect, "that all the words after the word 'that' be struck out and that the following words be substituted therefor". That is the proper form in which an amendment should be stated. But if an hon. member moved that a resolution under con-

12 m. sideration should be amended by its being struck out and another resolution substituted in place of it he would be out of order, as would readily be seen. The ordinary practice in these matters is to preserve the integrity of the original motion by asking, in the amending motion, that "all the words after the word 'that' be struck out and that the following words be substituted therefor". My hon. friend however does not propose to do that in this instance and he runs counter to the rules; he asks the committee on a distinct issue to wipe out an existing clause in the bill. He can do that of course; but he cannot, as he is attempting to do, ask the committee to adopt a second clause in substitution therefor. The authority I have quoted from Redlich is positive on the point. Let me refer also to Blackmore's Speakers' Decisions wherein the rule is laid down:

> A proposition which is of the nature of a substitution rather than an amendment cannot be put unless the question which it seeks to amend be negatived, when it is competent to submit the motion.

My hon. friend's motion is therefore not in order for the reasons I have given and I submit that the chairman should so rule.

The CHAIRMAN: Does any hon. member desire to speak to the point of order? The objection advanced by the Minister of National Defence (Mr. Macdonald, Pictou) has reference to a notice of motion by way of amendment appearing in the Votes and Proceedings of the House of Commons of June 17.

Mr. MACDONALD (Pictou): May I interrupt you for a moment, Mr. Chairman? I want to make it clear that the objection I am taking is based not only on the ground of irregularity; my hon. friend is proposing a new clause altogether, which he cannot do.

Mr. McMASTER: Do I understand the minister to advise us that if the hon. member for Lisgar (Mr. Brown) had left the word "that" in the amendment everything would be all right, but that the fact that he strikes "that" out as well as all the rest renders his motion out of order? In other words, that that "that" makes the difference?

Mr. MACDONALD (Pictou): The position I take is supported by the authorities I have already quoted.

Mr. BOYS: Would not the minister consider this a notice of motion of a twofold character? I have my own idea as to what the committee did, and everyone knows that I support the committee. But I should think it a misfortune if we lost all this afternoon and evening's discussion and if the committee were obliged to go all over the subject again perhaps to-morrow or the next day. I have not had the opportunity of considering the authorities but one is impressed by what the minister has quoted and it would seem that the amendment is not in order. But if a notice of motion had been given to strike out the clause as it stands and a further notice were given that a substituted clause would subsequently be moved I take it from the authorities quoted that such a procedure would be in order. I do believe that it is the sense of the committee that we should get on with the bill and have it disposed of, and I would respectfully suggest to the minister that he treat this as a double-barrelled notice and that we now proceed with the only thing which as he says, has been under discussion namely, the striking out of the clause as it now exists. That can be disposed of and we can then take up the second phase of the question and deal with it.

Mr. MACDONALD (Pictou): I have not raised the point of order without a sense of the importance of having the debate ex-

pedited as much as possible, for I am just as anxious as any other hon. member to facilitate the business of the House. But I considered it my duty to bring to the attention of the committee the irregularity of the hon. member's amendment. Otherwise the rules of the House might be violated and the present procedure might possibly be regarded at some time in the future as constituting a precedent. Personally I have no objection whatever to any course by which the hon. gentleman can bring himself within the rules. As the hon. member has pointed out, if my hon. friend from Lisgar had given notice of motion simply that clause 2 of the bill be struck out he would be in order, and if he desired to propose a new clause later on he could do so. It is a matter for the committee to decide.

Mr. BOYS: I do not rise to take exception to the objection urged by the minister. I said that so far as I could size the situation up from the quotations he had made, he was quite right. But I do make that suggestion, though I realize it could not be adopted without unanimous consent, and as the minister raises the point his consent would perhaps be necessary above all. If my suggestion is favourably considered we could simply treat this to-night as a notice of motion that we are dealing merely with the striking out of that clause and with nothing else.

Mr. MACDONALD (Pictou): It is entirely a question of the consent of the committee.

The CHAIRMAN: As I have stated, the Votes and Proceedings of the 17th of June contain notice of this amendment. The question arises whether the amendment is therefore in order or whether it is objectionable upon the ground stated by the Minister of National Defence (Mr. Macdonald). Rule 112 of the House provides that no important amendment may be proposed to any private bill in committee of the Whole House or at the third reading of the bill unless one day's notice of the same has been given. That rule applies only to private bills, and it puts private bills in an altogether different position from that of resolutions or any other matters that come before the House or the committee for discussion. Beauchesne, in his book on parliamentary procedure, cited by the hon. Minister of National Defence, at paragraph 331 states what is also indicated in May and in Bourinot:

[Mr. E. M. Macdonald.]

> A motion may be amended: (a) by leaving out certain words (b) by leaving out certain words in order to insert other words; (c) by inserting or adding other words.

The expression "certain words" would in my opinion mean those that are specifically designated or named or identified in such a way that no one could be misled. In May's Parliamentary Practice, at the same page as quoted from by the hon. Minister of National Defence, the reasons and the objects of an amendment are indicated and the manner in which it may be made. Such amendments are usually made by striking out all the words or a number of words after the word "that;" because all resolutions, as hon. members are aware, begin with the word "that." Of course in this particular section of the bill that word cannot be struck out because the section does not begin with "that." Hon. members will note that the wording of the section is as follows:

> This act shall not come into force until the first day of July 1926, and not then—

And certain sub-paragraphs follow. The amendment proposed is that this act shall come into force on the tenth of June 1925—after clause 2 is struck out, if the amendment carries. The effect of ruling this proposed amendment out of order would be this: The vote taken in the committee would be taken directly on clause 2, which is the section providing for the act coming into force. If that clause was struck out the act would come into force upon receiving the royal assent. The amendment proposes to postpone the coming into effect, not, it is true, until the date mentioned in section 2, but until a different day. If I understand the minister correctly, Redlich does not go so far as to say that such an amendment would be out of order, though he does say it would be irregular. I am strongly inclined to doubt that its being irregular would mean that it would be out of order. Webster states that amendments are made by substituting something else in the place of what is removed. As was suggested by the hon. member for Brome (Mr. McMaster), the matter really comes down to the point that if the first word of the section was left in, the amendment would be in order. With all due deference to the objection raised by the hon. Minister of National Defence, I cannot think we are bound by what may be interpreted as the English practice and that we are tied down to an objection of so highly technical a character, and I so rule.

Mr. MACDONALD (Pictou): I bow to the ruling of the chairman, though I entertain my own opinion as to whether he is correct in overruling Redlich. I would venture to address a few words to the committee on the general principle of the bill.

I happen to represent more members of the Presbyterian Church in Canada than any other hon. gentleman here.

Mr. MACLEAN (York): I doubt that.

Mr. MACDONALD (Pictou): My hon. friend disputes the honour with me; we will check up the census figures and see who is right. I make that claim because I represent a very large constituency, three-quarters of whose people are adherents or members of the Presbyterian church. They have given to Canada and to the church in Canada a number of very distinguished men, men who have played a great part in the history of this country. When I hear hon. gentlemen talk about getting away from the hand of the dead past, I wonder whether it is a good thing for Canada that the achievements of the great men who have gone before should be entirely forgotten, and that we should enter upon a period in which materialism should run rampant and in which all that has stood for solidity of institutions and for advancement in Canada shall have disappeared.

We have given to Canada from the Presbyterians of my constituency men like Sir William Dawson, the first president of McGill University; Doctor George M. Grant, of Kingston, Doctor Falconer, president of Toronto University, Rev. Doctor D. M. Gordon, second president of Queen's University. The Presbyterians of my county are opposed to church union. They voted against it by a large majority in 1915, and since that time they have been misrepresented in the assembly of the church by ministers and those who have the right to go to the assembly and who did not carry out the principle that ought to prevail in a democratic church of speaking for the people who are behind them. Out of ten congregations in my constituency, 3,222 people voted against union and 342 for union, a few months ago. That is an indication of the feeling of the people whom I represent, and I am here to speak for them. I therefore ask this committee, I ask this parliament, to hesitate before taking any step by which that church would be absolutely blotted out.

Let me read to the committee a statement which has been sent to me by the distinguished ex-principal of Queen's, Dr. D. M. Gordon; it puts the story reasonably from the standpoint of those who believe in the church, in its history and in its great achievement. The statement reads:

Dear Mr. MACDONALD,

Permit me to draw your attention to some considerations connected with the bill at present before parliament for the incorporation of the United Church of Canada.

For ten years (1905-1915) I was a member of the Union committee of the Presbyterian church and a warm advocate of the movement, believing that, if it could be accomplished with the general consent of the members, it would tend to promote very greatly the spiritual life of our people and the progress of the Kingdom of God in our country.

At the outset it was stipulated that the church would enter into the proposed union only on condition of the practically unanimous consent of the members. In the report of the Union Committee submitted to the General Assembly in 1905 it is stated that, "It was universally recognized that "a union of the churches to be real and lasting must carry the consent of the entire membership" (Assembly Minutes, Appendix, p. 280) and this was adopted unanimously by the assembly. (Ass. Minutes, p. 46).

I can say with the utmost confidence that if we had imagined that the proposed union could be secured only at the cost of the disruption of the Presbyterian church the movement would have ended with the initial proposal of it in our General Assembly.

That is a very important statement.

As negotiations proceeded year after year and the basis of union was gradually drawn up, opposition to it developed in the courts of the church, so that it was determined to submit the matter to the members to ascertain the mind of the whole church concerning it. Accordingly, the assembly remitted it to presbyteries, in 1911, to consult all the congregations of the church.

It has been contended that the constitution and laws of the church did not require the assent of the members, and that the judgment of presbyteries, synods and General Assembly should be a sufficient guide and warrant for procedure in this matter, as in other important movements within the church, these bodies being entitled to represent the entire membership. No organized society, however, makes provision in its constitution and forms of procedure for its own extinction, and, as the church consists not merely of its official courts but of its entire membership, and as it was now proposed to merge the Presbyterian church in an entirely new ecclesiastical organization, this action in asking for the judgment of all the congregations and members was both wise and essential. Moreover, the pledge given at the outset of the negotiations to consummate union only with "the consent of the entire membership" could not be evaded.

When, in the assembly of 1912, the votes of the members were received and considered, we were greatly surprised to find a substantial minority opposed to the union. Out of a total registered membership of 287,944 only 155,033 voted; and of those voting only 106,755 approved, while 48,278 were opposed. That is, 54 per cent of the total membership voted: 37 per cent of the total membership for union; 17 per cent of the total membership against union. (See Minutes of Assembly for 1912, Appendix, p. 330).

In view of this opposition, the assembly resolved as follows:—"In view of the extent of the minority which is not yet convinced that organic union is the best method of expressing the unity sincerely desired by all, the assembly deems it unwise immediately to proceed to consummate the union, but believes that by

further conference and discussion practically unanimous action can be secured within a reasonable time". (Min. of Ass, 1912, p. 45). Meanwhile closer relations might be fostered between the churches and greater co-operation promoted in missionary, educational and social activities.

In 1915 it was again agreed by the General Assembly to consult the members of the church, but when the vote was received and considered by the assembly in 1916, we were surprised to find that the opposition had greatly increased, that while 106,534 members voted in favour of the Union proposals, 69,913 voted against them. (Ass. Min. for 1916, Appendix, p. 279).

Evidently it would have been wise at this stage to halt further proceedings, even although a majority of presbyteries favoured union. Clearly the time was not ripe for the proposed change. The mind of the church was not prepared for it; and organic union under such conditions would tend rather to hinder than to promote spiritual unity.

Instead, however, of calling a halt in the movement, the assembly in 1916 asserted its adherence to union as the policy of the church; but later, in 1917, the assembly agreed to suspend further action in connection with it until a year after the close of the war. It was expected that the experiences of the war, in uniting all citizens more closely for other purposes affecting the national life, might also move the members of all churches to closer unity.

No further action has been taken since 1916 to ascertain the mind of the members of the church regarding union. Within these intervening years many members have returned from service overseas and thousands of new members have been enrolled, so that we cannot say what are the present proportions of advocates and opponents of union. Whatever weight we may attach to the many arguments that may be urged in favour of union, and whatever may be our personal predilictions in regard to it, the outstanding fact is that there is resolute and apparently increasing opposition to it on the part of the membership of the Presbyterian church. The opponents are probably still in the minority, but they are quite determined that the Presbyterian church must be continued in its present organization.

It is evident, therefore, that if church union is consummated according to the bill for incorporation now before parliament, it must result in the very serious disruption of the Presbyterian church.

I will ask the committee to note the significant utterance of this father of the church in Canada, one of the most honoured and respected men that ever held a high position in the educational and religious life of this country, when he says:

It is evident, therefore, that if church union is consummated according to the bill for incorporation now before parliament, it must result in the very serious disruption of the Presbyterian church. And when it is stated, as in the preamble to the bill, that the Presbyterian church is a party to the petition for the act of incorporation, it should be noted that this is very far from being the petition of the entire church. Indeed, according even to the figures of 1916 (which now it is believed fall far short of representing the entire number of opponents) there is a smaller proportion of members in favour of the act of incorporation than would be required for the merging of two banks or other commercial institutions under the Joint Stock Company Act.

[Mr. E. M. Macdonald.]

Will the minority, who are determined to maintain the existence and activities of the Presbyterian church, be denied the right to preserve the name of the church as hitherto known? This is to them a matter of serious moment. The advocates of union claim that by the act of incorporation the Presbyterian church is merged in the United church and therefore ceases to exist as a separate organization. The minority claim that they will continue to be the Presbyterian church after the others have entered the new ecclesiastical organization. Of course, the minority could agree to form a Presbyterian church: not even parliament could prevent this, and the advocates of union admit it. And, for that matter, the body so formed would come to be known as the Presbyterian church. But the retention of the name and the claim of the minority to continue the present organization of the Presbyterian church might, if admitted, be held to carry with it the right to all the property of the Presbyterian church.

This has been one of the chief obstacles in preventing any conciliation between the two contending parties. It might, however, be a matter of agreement between the two parties that the minority should still retain the name but that the estate should be divided according to some equitable arrangement. The advocates of union might fitly be requested to make some agreement with the minority so that they would come before parliament with a united petition for the legislation required in the circumstances.

As to the terms and provisions of the act:—It may be noted that parliament is asked to pronounce upon the spiritual functions of the church as well as upon the tenure of property. This, however, is to ignore the proper functions of parliament. The church has the right to live and act as a free self-governing body with supreme jurisdiction in spiritual matters. It is only in connection with the tenure and administration of property that the church is in any way subject to the decisions of parliament or of courts of justice. In the proposed act, however, parliament is asked to ratify and confirm the Basis of Union and to guarantee to the church freedom to deal with her doctrines and teaching as the courts of the church may determine. While it is a grievous mistake for the church thus to ask the sanction of parliament in spiritual matters, it would surely be a mistake on the part of parliament, even at such a request, to take action outside of its own proper jurisdiction.

Parliament has, however, certain rights and jurisdiction in regard to the tenure and administration of property by the church, as by any other body of citizens, and much of the act is devoted to the transfer of the property of the negotiating churches to the United church.

The attempt is made to arrange for the assignment of certain properties to the "non-concurring" congregations. A commission is to be created to deal with all questions that may arise in connection with the division of the properties of the church, and the decisions of this commission are to be absolute and final, subject to no kind of review, civil or ecclesiastical. The effect, and manifestly the purpose, of this provision is to forestall and prevent any litigation between the contending parties by closing against them all the constituted courts of justice and forcing them to accept the decisions of this irresponsible commission. The appointment of such a commission could be justified only with the entire consent of both parties, otherwise it is grossly unjust. The minority, however, are not asked whether they agree to this arrangement, although they may, if they choose, be represented on the commission. It is offered to them as the only way to have their share of the property determined, and they are deprived of the right, which every citizen is supposed to possess, of access to the

courts of justice. This is compulsory arbitration with a vengeance! Surely such a proposal cannot be sanctioned by the parliament of Canada as parliament stands for the protection, not for the coercion, of minorities.

Believe me.
Yours very faithfully,
DANIEL M. GORDON.

I ventured at this late hour to read that letter to the committee because it is the statement of a man who stands apart from all the controversy that has been waged around this question—a venerable man whose long life has been spent in the service of the church and in behalf of the educational institutions of this country. Retaining in their entirety the magnificent faculties with which he was endowed he tells us that he started out captivated by the idea that it would be a great thing to have union subject, however, as he put it, to the fact that that union in order to be efficacious should be unanimous. He tells the story of his disillusionment and to-day, in the evening of his life, he tells this parliament, after having viewed all that was likely to happen, that to pass this bill would lead to the disruption of the Presbyterian Church in Canada and inflict the evils that he complains of.

Is that picture a true one or is it not? It seems to me that some gentlemen in regard to this measure forget the genius of the people who for centuries have been connected with the Presbyterian church, the men of Scottish extraction who cherish with great devotion all the traditions of their race, and whose devotion to their church is of the very warp and fibre of their being. They forget the women who have had their children baptized within that church, who have been married according to its rites and the many over whose mortal remains its clergy have spoken the last word. They forget the older men and women who to-day stand looking out into the future. There comes to them some gentleman who says to them "All these treasures of which you are so proud are mere figments of the imagination; they amount to nothing. We will have an act passed in parliament whether you like it or not. We will take your religion from you and when you go out into the great unknown you will have nothing to solace you such as you have been accustomed to depend upon in the past."

There are hundreds of men and women in the constituency from which I come who are moved by intense feeling in this matter. I am here to speak on their behalf and to urge the House to hesitate before they take away from those people what they regard as the priceless things of life. Are minorities and their rights to be disregarded in this country? Sir, I have been in parliament for almost twenty years. I have seen occasions when the rights of minorities were menaced, and the men who stood up for those rights are those who uphold the rights of minorities to-day. I ask every fair-minded man here to realize that the rights of minorities must be religiously preserved in this country if we are going to maintain Canada as a happy and united country and if it is ever to realize the future we anticipate for it.

I do not propose to speak at any great length. One hon. gentleman in the early part of the debate spoke of the amendment under which this matter is referred to the courts as a challenge to the church. I think that was an unfortunate expression to use. A very large body of men connected with the Presbyterian church originated in good faith in the Supreme Court of Ontario an action to have it declared that the proceeding of those who constitute the General Assembly for the time being in coming to parliament and asking that their church should be destroyed was illegal. I understand that the pleadings in that suit have been closed, and the case stands ready for trial. I cannot recall any occasion in my experience in parliament in which parliament undertook to step in and take away from any litigant any right which in good faith he asserted he had. Hon. gentlemen will search the records of parliament in vain to find where this parliament in its long history ever passed legislation destroying the bona fide rights of any party who, in accordance with the laws of the land, has gone into court to seek remedies and justice. Yet that is what would be done if this bill is passed and the amendments that were made by the committee are disregarded.

These amendments are reasonable and fair. I am not going to travel over the ground that has been so well covered by hon. gentlemen who have discussed them from the standpoint of the view which I entertain, but they provide for an early and speedy determination of the issue on matters of right. That was the object of these amendments. It must be conceded that it is not fair to deprive people of rights which they are asserting in the courts. If we are going to have it laid down as a matter of law and practice in this country that people can be deprived of the rights which they are asserting in the courts that will be a very unfortunate thing indeed. It is proposed to strike out from this bill the provision for a speedy termination of the suit which has been entered relative to a very grave constitutional question that exists, as for instance the right of this parliament to interfere with trusts that have been created and which have been operated under the provisions of the laws of the

provincial legislatures dealing with properties and civil rights. Surely it is not an unfair proposal to ask that this question be determined before the rights of individuals are destroyed and before the claims of those who want to remain Presbyterians are fully considered. That is why these amendments are fair and reasonable, and I submit this committee should not strike them out.

Of what use is a union if it is to be a forced one? The happy illustration given so eloquently by the hon. member for Brantford (Mr. Raymond) in regard to the result of coercive unions is so clear that I am sure it was patent to all. Surely nobody in this committee believes that any union which absolutely destroys or takes away the legal rights of those who want to be Presbyterians will be of any value. If they do, then I regret to say they utterly mistake the genius of the men and women who belonged to the Presbyterian church in the past. It cannot be done. If the action contemplated by the unionists is persisted in all that we have heard about the glories of union will vanish into thin air. There will be perpetuated in this country an embittered feeling, an antagonistic attitude between two great religious bodies; whereas if we act upon the lines of sanity and good judgment, enabling those who have legal or constitutional rights to have them determined before they are forced into a position where their identity is gone and all their property becomes merged in the new organization a very different feeling will prevail. I appeal to the House to seriously consider before it takes a step that would accomplish no good but would produce evil and injurious effects in this country.

Mr. BOYS: I should like to move with the consent of the Prime Minster that the committee report progress and ask leave to sit again.

The CHAIRMAN: It has been moved by Mr. Boys that the committee rise and report progress and ask leave to sit again. Is it the pleasure of the committee that the motion carry?

Some hon. MEMBERS: No, no.

Some hon. MEMBERS: Carried.

The CHAIRMAN: The hon. member who introduced the amendment should have something to say, I suppose, before the question is decided.

Mr. BROWN: A little while ago I took the matter up with the Prime Minister as to the possibility of taking a vote to-night and he indicated that that would not likely be done. Moreover a number of hon. members have gone home. I think it would be very unfortunate that this vote should be taken at a time when a great many members interested understood it would not be taken. We would like to have an expression from the Prime Minister on this point.

Mr. BOYS: I think it was understood that the committee would not sit later than twelve or a little after.

Mr. MACKENZIE KING: I have been given to understand that a considerable number of members who have not yet spoken on this question desire to do so, and I do not think it would be altogether in the interests of the question before the House that the discussion should be kept up until an early hour in the morning. I think it would be better that we should follow the rule of adjourning at midnight, if possible, and resume the discussion on this question at another time. I hope, however, that members who have spoken will not consider it necessary to traverse the same ground on a subsequent day. I think the House will appreciate that it is important to get through the business as quickly as we can, but we should take up the business in good order and in good temper.

Sir HENRY DRAYTON: Perhaps we could take up this matter to-morrow while it is fresh in everybody's minds and get rid of it.

Mr. MACKENZIE KING: I think it would be advisable to proceed to-morrow, were it not for the fact that there is an understanding already that the report on Privileges and Elections will be considered to-morrow afternoon. That is an important matter and should be disposed of as early as possible. However, I see no objection to taking up the church union matter on Thursday, if the House will agree to it.

Sir HENRY DRAYTON: I was going to suggest that this discussion should have the right of way and the other could come up afterwards. I think we would get through the business far quicker than by interrupting this debate in order to proceed with another.

Mr. MACKENZIE KING: I think where a matter has been standing over by agreement between the different sides of the House it should not be delayed and in the end it would make very little difference.

Mr. FORKE: There is a good deal of disappointment in the House, owing to the fact that it was arranged that this debate should commence on Tuesday and proceed until it was finished.

Some hon. MEMBERS: No, no.

Mr. FORKE: That is the understanding I had.

Mr. DUFF: It will take a long time to finish it.

Mr. CALDWELL: Is that a threat?

Mr. DUFF: No.

Mr. FORKE: However, it may have been a misunderstanding. I think the right hon. leader of the opposition understood that the debate was to continue. I think we made that arrangement on Monday. Probably the chairman heard it and he will know.

Mr. GRAHAM: I want to straighten out that difficulty. The report of the committee on Privileges and Elections was presented to the House some days ago, and the chairman was prepared to move its adoption on the subsequent day, but the member for West Hastings (Mr. Porter) was ill; it was postponed till Thursday, and the announcement was made in the House several days ago. The hon. member for West Hastings and other members interested in that question are all prepared to go on to-morrow, and I think, after making that arrangement with the consent of the House, under the peculiar condition, it would not be wise to change it.

Sir HENRY DRAYTON: So far as the member for West Hastings and members in this section of the House are concerned, we are quite willing to give the church union bill the right of way. We think the House will make better progress by so doing, but it is a matter entirely in the hands of the House.

The CHAIRMAN: This motion is not debatable.

Mr. SHAW: It has been debated quite a bit already. I desire to point out to the Prime Minister that a debate which has been adjourned on numerous occasions has already been fixed definitely for Thursday; so that I would suggest to the Prime Minister that his resolution should be that this debate be adjourned until Friday.

Mr. MACKENZIE KING: What was that debate?

Mr. SHAW: A debate on the Banking and Commerce committee report, which has been adjourned several times and definitely fixed for Thursday of this week.

Mr. MACKENZIE KING: I have not heard of it.

Mr. MARLER: I can substantiate the statement made by the hon. member for West Calgary (Mr. Shaw). The report was to have been presented on numerous occasions by the chairman of the Banking and Commerce committee but for various reasons it was postponed, and next Thursday was definitely decided to be the date on which the debate was to take place.

Mr. GRAHAM: By whom?

Mr. MARLER: I understand the Acting Minister of Finance (Mr. Robb) made that statement. It is quite immaterial to me, but I am simply substantiating what the hon. member for West Calgary says.

Mr. MACLEAN (York): I think the House should resume, and we could arrange this matter with the Speaker in the chair.

Progress reported.

Mr. MACKENZIE KING: I beg to move that Private Bills be the Order of the Day for Thursday, 26th of June next.

Mr. GOOD: There was a very definite understanding by a number of members with the chairman of the Banking and Commerce committee and the Acting Minister of Finance, and every possible assurance that could be given was given by the Acting Minister of Finance that the report of the Banking and Commerce committee would be considered on Thursday next. I wish to protest, with all the vehemence of which I am capable against this motion. It will be a great injustice to those to whom the assurance was given if the report of the committee is not considered on Thursday.

Mr. MARLER: I see personally no necessity for this debate taking place on Thursday; but that is not the point. The statement of the hon. member for Brant (Mr. Good) is absolutely correct. Definite assurances were given time and time again that the report of the Banking and Commerce committee would be taken up on that date. It was postponed on numerous occasions and finally Thursday was definitely settled, and an assurance was given to the gentlemen who desired to debate it. I am not particularly interested because I do not care if the debate does not take place. I merely rise to confirm the statements which have been made.

Mr. MACKENZIE KING: With regard to these various representations that have been made, the only object I have is to try to arrive at some agreement that will best suit the general convenience of the House. It is perfectly obvious that if the Acting

Minister of Finance (Mr. Robb) gave an assurance—and I have no doubt as to the correctness of the statements by hon. members that he did—that the debate on the Banking and Commerce matter would be fixed for Thursday, he understood that the present debate would be concluded to-day. I have no doubt he did expect it to be concluded. The Minister of Railways and Canals (Mr. Graham), who was leading the House at the time, intimated that he expected the debate would conclude in one day. It is very obvious it is going to take a considerably longer time, and I think there are as many hon. members who are interested in getting the church union question out of the way as there are hon. gentlemen who are interested in having the banking and commerce matter decided. As the church union question has come up first, it seems to me that it ought to have the right of way in a matter of this kind.

Motion agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING moved the adjournment of the House.

Sir HENRY DRAYTON: What business will be taken up tomorrow besides the Murdock charges?

Mr. MACKENZIE KING: After the the House has considered the report of the Privileges and Elections committee, we shall proceed with the resolution that appears in the name of the Minister of Justice respecting an amendment to the British North America Act; the bill in the name of the Minister of Railways and Canals to amend the Canadian National Railways Act, 1919; second readings of Bill No. 172, to amend the Indian Act, Bill No. 187 to amend the Dominion Lands Act; Bill No. 188 to amend the Land Titles Act and Bill No. 191, for the settlement of certain questions between the governments of Canada and Ontario respecting Indian Reserve Lands, in the name of the Minister of the Interior; a resolution in the name of the Minister of Justice to be taken up in committee of the whole with respect to the Bills of Exchange Act. If we conclude those measures, we shall go on to estimates and take up Mines and Trade and Commerce.

Sir HENRY DRAYTON: A good many people are interested in the Post Office estimates. Is it proposed to bring them down at an early date?

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I am unable to say when the Post Office estimates will be brought down. As my hon. friend knows, the Postmaster General (Mr. Murphy) unfortunately has been ill most of this session. We are still hoping that he may find it possible to be in the House before the close of this session. I know that it is his desire to take up the estimates himself if he can be here, and I hope he may be here to take them up himself.

Motion agreed to and the House adjourned at 12.45 a.m. Wednesday.

Wednesday, June 25, 1924

The House met at three o'clock.

HON. MR. MURDOCK AND HOME BANK

Mr. JOSEPH ARCHAMBAULT (Chambly and Verchères) moved:

That the second report of the Select Standing Committee on Privileges and Elections be concurred in.

He said: Mr. Speaker, in making a motion of this kind it is customary that the chairman should give his views to the House regarding the proceedings and the report of the committee. I shall do so briefly and impartially. The charge made by the hon. member for West Hastings (Mr. Porter) is as follows:

The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain information he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister in derogation of his office and the honour, dignity and traditions of parliament.

I wish to state at the outset, Mr. Speaker, that I have nothing but praise for the hon. members of the committee, who throughout the proceedings of the inquiry have conducted themselves in the true spirit of the high traditions of parliament. I say this without any reservation whatsoever. The members of the committee had to inquire into the action of one of their fellow-members, and it is to their credit that, following in the footsteps of the hon. member for West Hastings when he made his speech in the House, they have avoided personalities and partisan feelings, and used throughout the whole proceedings a most temperate and sober tone.

The committee had several meetings and summoned a number of witnesses. The report which I now beg the House to concur in reads as follows:

> The evidence taken by the committee shows that Hon. James Murdock on the 15th of August, 1923, drew out of the Home Bank of Canada at its Ottawa Branch, the sum of $4,050, but there is no evidence to show that before so drawing out said sum he had received information as a cabinet minister of the probable failure of said bank. The evidence also shows that the only information Mr. Murdock had of the probable failure of said bank was received as a private citizen, from Hon. G. N. Gordon, in a friendly interview on the 9th of August, 1923.
>
> The committee finds that Hon. Jas. Murdock did nothing in connection with the withdrawal of such money from the Home Bank contrary to his obligation as a minister of the Crown, or in derogation of his office and the honour, dignity and traditions of parliament, and that the charge submitted to this committee for investigation, so far as it affects the honour of Mr. Murdock, is not only not proved but entirely disproved.

Every hon. member will realize that in order to substantiate his charge, the hon. member for West Hastings had to prove three things: First, the withdrawal of the money under the circumstances mentioned in the charge; second, that in doing so the Minister of Labour used information that he had received as a minister, of the likely failure of the bank; and third, that by using such information he has received advantage and profit to himself to the extent of such withdrawals, contrary to his obligation as a minister, and in derogation of his office and the honour, dignity and traditions of parliament.

May I be allowed to point out that in order to maintain the charge, not only one, but all of those three things had to be proved. May I also point out that the first two questions are questions of fact, and the third question is more a question of appreciation in the light of precedent, in the light of jurisprudence, more a doctrine or proposition than a positive fact.

Before considering the evidence on the facts, and the soundness of the third proposition in the light of the law, I wish to state that I endeavoured to conduct this inquiry in a judicial way. I based my reason for doing so first on section 2 of the Canada Evidence Act which reads as follows:

> This Part shall apply to all criminal proceedings, and to all civil proceedings and other matters whatsoever respecting which the Parliament of Canada has jurisdiction in this behalf.

This seems to be clear. I followed the rules of evidence contained in this act. Secondly, I followed also the jurisprudence. I assumed that the members of the committee were the jury. The hon. member for East Toronto (Mr. Ryckman), and the hon. member for York-Sunbury (Mr. Hanson), speaking before the vote was taken in committee, contended that the rules of evidence at a judicial trial should not apply; that it was not for the member for West Hastings (Mr. Porter) to prove his charge but it was for the Minister of Labour to prove his innocence. The hon. member for East Toronto drew my attention to the Marconi debate in the British House of Commons in 1913 where no such rules were observed. But I wish to draw the attention of the House to this point,—the hon. member for East Toronto overlooked the fact that we were proceeding with an inquiry where all the witnesses were sworn, while in the Marconi case in the British House of Commons in 1913 it was not an inquiry. In that case there was no inquiry whatsoever; there was no charge made and referred to a committee; it was an ordinary parliamentary debate where no witnesses were heard, where members simply spoke and gave their opinion. The proposition here is quite a different one. I may say that I was gratified to hear the hon. member for Leeds (Mr. Stewart), although he voted against the report, express the opinion on this matter which he did. That opinion is to be found on page 154 of the report of the proceedings of the committee. The hon. member for Leeds, as there reported, said this:

> I assume, Mr. Chairman, that this committee is here as a court of justice, that we have all the powers, all the privileges, all the rights, all the responsibilities, and all the duties of a court, and if that be so, then the rules of evidence must apply and we must discharge our duties as a court and not in any other capacity or from any other motives than those which would characterize and must characterize judges and jurors in determining a question which is brought before them.

This doctrine is sound; it has been followed in every inquiry of this kind since confederation. It was followed in the McGreevy inquiry in 1891; it was followed in the Lanctot inquiry in 1911; it was also followed in the Yukon inquiry presided over by the hon. member for South Wellington (Mr. Guthrie). I repeat, it is sound doctrine. The suggestion that the ordinary rules of evidence should not apply, that they should be put aside, that the inquiry should be conducted in a haphazard and go-as-you-please manner is a most astounding proposition. Before I leave the subject I will quote the opinion of a man who has occupied one of the highest positions in this country, whose eminent character, fine legal mind and wide knowledge are undisputed. I refer to Sir Allen Aylesworth, ex-Minister of Justice. Speaking on the Lanctot case, as reported at page 7,900 of Hansard, 1911, he said:

Every one knows that it is the privilege of the person accused either to remain silent or to say: Not guilty, prove your case. Nothing is to be inferred against a man because he may choose to take that course.

I am therefore satisfied that the course which I followed was the proper one.

Let us now examine the first allegation: Hon. Mr. Murdock, two days before the failure of the Home Bank, withdrew the sum of $4,050 of his money. As I said before, and according to all rules of evidence, the hon. minister was not obliged to appear as a witness. But he did appear, and admitted that on 15th August, last at about one o'clock, two days before the failure of the Home Bank, he withdrew from the bank the sum of $4,050, his parliamentary indemnity, which he had deposited in the Royal Bank, and that later on, on 1st October, he used that money to pay a mortgage on his property. The mortgage itself, with evidence of the payment mentioned, was produced at the inquiry by Mr. Cuthbertson, the holder. The first allegation, therefore, was proven, but minus the frills and insinuations of the partisan press. Mr. Murdock did not withdraw his money after banking hours as stated in the liquidator's letter to him—and in the speech of the hon. member for West Hastings, a very material incident in the case as stated by the members for West Hastings, and York-Sunbury. Both these hon. members expressed their opinion as to this fact and the evidence on the point is to be found at page 13 of the committee's proceedings, where Mr. Clarkson, the liquidator, was being examined by Mr. Porter. I will cite it:

Q. Did you get any information of that character from the officials of the Home Bank in Ottawa?—A. Not until after that letter was written—after settlement was made.

Q. Then what knowledge had you when you wrote this letter that the money had been withdrawn after banking hours?—A. I say, "the statement was made to me" that was so. The statement was made to me by some officer of the bank that it was after office hours.

The Chairman: Mr. Porter, I do not want to limit you, but this is hearsay evidence. There is only one fact to be proven before this committee if you want to make your case, and that is that the money was withdrawn. Whether the money was withdrawn before hours or after hours makes no difference—

Mr. Porter: I would think it would make a very material difference.

The Chairman: It makes no difference because the reference is to the effect that money was withdrawn before the failure of the bank on the 15th day of August, 1923. That is the only thing we have to look for.

Mr. Porter: The time of withdrawal would be a very material consideration for the committee to consider.

Mr. Hanson: I think it would be very vital. It shows the intent.

The Witness: Mr. Porter, the manager of the bank informed me yesterday that the withdrawal was not made after banking hours; it was made in banking hours, and the previous statements made to me were incorrect to that extent.

The evidence also shows, that without any obligation whatsoever in my opinion the Minister of Labour sent back to the liquidator every cent he had withdrawn. The evidence as to this is to be found at page 15 of the report. Let me quote it:

By Mr. Porter:

Q. Then the account, Mr. Clarkson, shows a balance at that time due from the Hon. Mr. Murdock of how much?—A. On May 16th it shows a balance of $3,000, excluding interest. Then we gave him a credit for $1,035.23, being 25 per cent of $4,140.94. That left a balance of $1,964.78. The interest on that was $150.30, which left him owing $2,115.08.

Q. Has the balance been returned to you as liquidator?—A. Yes sir, with that letter which you have in your hand.

Mr. Porter: I file a letter dated May 26, 1924.

Document filed as Exhibit No. 6.

Mr. Porter: This letter reads:

"May 26, 1924.

Dear Mr. Clarkson:

Acknowledging your letter of May 16, and your memo of May 20, re the amount which you compute is still due to you as liquidator in connection with my withdrawals from the Home Bank on August 15, 1923. I send you herewith cheque for $2,115.08."

Therefore, Mr. Speaker, the depositors of the Home Bank have not lost one farthing, and the people of Canada have not lost one cent, through the action of the Minister of Labour.

Now let us look at the second fact. Was it proven that the hon. Minister of Labour withdrew his money from the bank using certain information that he had received at a meeting of council of the immediate failure of the bank? Every hon. gentleman must admit that if the second fact is not proven the case must fail. I submit, Mr. Speaker, that there is not one tittle of evidence given in the inquiry to show that the Minister of Labour had received any information as a minister of the near failure of the bank before he withdrew his money—nothing to show that he received any information as such minister. You can search the whole evidence and you will not find one witness who proved this fact. The directors of the bank came to Ottawa on the 14th August. They had an interview that evening with the Prime Minister (Mr. Mackenzie King), Mr. Graham, Mr. Robb and Mr. Saunders. They had not seen the Minister of Labour, and no information as to the state of the bank was given to him by any of his colleagues or by Mr. Saunders. The Minister of Labour only learned of that meeting much later. On page 85 of the Report of Proceed-

ings evidence will be found to substantiate that fact, as follows:

By Mr. Porter:

Q. Just one more question, Mr. Chairman. I think that is all I want to ask for the moment. Mr. Murdock, I want to ask you one further question: Were you aware of the fact that the directors of the Home Bank met certain members of the cabinet at the Premier's house?—A. Not until after it came out generally.

Therefore, Mr. Speaker, the hon. Minister of Labour did not have that information, or was not aware of the meeting of the Home Bank directors on the night of the 14th, before he withdrew his money from the Home Bank.

Mr. SHAW. May I ask a question for information?

Mr. ARCHAMBAULT: Yes, certainly.

Mr. SHAW: Is the expression "Not until after it came out generally" interpreted subsequently by the minister (Mr. Murdock).

Mr. ARCHAMBAULT: Yes. I surmise it would mean, "Not until it was known generally by the public".

Mr. SHAW: When would that be?

Mr. ARCHAMBAULT: That would certainly be after the next day. The Minister of Labour withdrew his money on the 15th, and that meeting was on the evening of the 14th. It is evident that he could not and did not know that that meeting had taken place until after he had withdrawn his money.

Mr. IRVINE: Before the hon. member leaves that point, I would like to ask a question, just for information. I understood the hon. member to say there was no evidence that the action of the Minister of Labour was affected by any information received at the cabinet council meeting. I want to know if it is not a fact that the only source of that information would be some member of the cabinet council, and they were not permitted by their oath of office to give that information. Is that not so?

Mr. ARCHAMBAULT: I am coming to that point. After the meeting, or during the meeting, of the Home Bank directors at the house of the Prime Minister, the Prime Minister decided that under the circumstances no assistance could be given to the Home Bank, and it was suggested that the Acting Minister of Finance should go to Montreal the next day, to interview the Bankers' Association, in order to get some assistance if possible. The matter was finally settled there. True there was a meeting of the cabinet next morning, at which the hon. Minister of Labour was present, but no evidence was given to show that the matter of the Home Bank was discussed at the said meeting. I ruled, according to all precedents and according to jurisprudence, that nothing could be asked of the minister of what transpired at that meeting. I submit, Mr. Speaker, that I was bound to make that ruling. The members of the Privy Council are bound by the oath of office to keep all matters which engage their attention at the meetings of the cabinet strictly private and confidential. I do not need to refer to all the authorities in this matter. May I, however, first ask the attention of hon. members to the oath of office which says:

—you will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council, without publishing or disclosing the same or any part thereof, by word, writing, or any otherwise to any person out of the same council, but to such only as be of the council, and yet if any matter so propounded, treated and debated in any such Privy Council, shall touch any particular person, sworn of the same council upon any such matter as shall in any wise concern his loyalty and fidelity to the King's Majesty, you will in no wise open the same to him, but keep it secret, as you would from any person, until the King's Majesty's pleasure be known in that behalf.

I desire also to direct the attention of hon. members to the work of Alpheus Todd on Parliamentary Government in England, second edition, volume 2, page 240, where I find the following:

The deliberations of the cabinet upon all matters which engage their attention are strictly private and confidential; being kept secret even from other members of the administration, who have no seat in the cabinet, and who therefore are not directly responsible for the conduct of the government. Upon their first introduction into the Privy Council ministers are invariably sworn to secrecy.

At page 84 of the same work Mr. Todd says:

The obligation of keeping the King's counsel inviolably secret is one that rests upon all cabinet ministers and other responsible advisers of the Crown by virtue of the oath which they take when they are made members of the Privy Council.

A judgment was rendered recently on the same matter by Mr. Justice McKeown who presided at the Home Bank inquiry, and I will refer to that judgment later on. The exclusion of such evidence may be unfortunate; but there are other circumstances when certain evidence cannot be accepted from witnesses, and other circumstances where certain evidence is not legal. Counsel, solicitors, attorneys cannot be compelled to disclose communications made to them in professional confidence by their clients; nor can doctors; nor can priests nor ministers of religion be compelled to disclose secrets confined or confessed to them under the regulations of their respective churches and religious persuasions. Hon. members who voted against the report

in committee admitted that. The hon. member for York-Sunbury (Mr. Hanson), as reported on page 149, states:

It will be said that my learned colleague (Mr. Porter) did not prove affirmatively that the matter was discussed in cabinet council that morning. Unfortunately the absolute privilege given by the cabinet ministers' oaths closes the transactions in cabinet council and precludes us from even asking the question as to who was there.

In face of that jurisprudence, in face of that ruling by Mr. Justice McKeown, I was bound to prevent anything that had transpired at the cabinet meeting from being disclosed at the inquiry.

Mr. SHAW: The hon. member has compared the relationship between a minister of the Crown and the Crown with the relationship existing between a solicitor and his client. My hon. friend will realize that the relationship between solicitor and client is a qualified privilege only. I should like to know, as a matter of information, if the relationship between a minister of the Crown and the Crown is a matter of absolute privilege or a matter of qualified privilege.

Mr. ARCHAMBAULT: Ministers of the Crown may not divulge anything that transpires in council even by mutual consent. I would refer my hon. friend again to Todd at page 84:

As has been already observed, this secrecy is not a mere personal privilege or protection, either to the Sovereign or to the minister, that may be waived by mutual consent.

Now, not only has the prosecution not proved that the Minister of Labour used information that he received as a minister to withdraw his money, but the evidence shows conclusively that the withdrawal was made because of some other information. The Minister of Labour, although under no obligation to do so, as any member with any legal knowledge will admit, volunteered to make a statement. His evidence is to be found at pages 75, 76 and 77 of the inquiry. I will crave the indulgence of hon members for a few moments because this evidence is very important. At page 75 this is the statement of the Minister of Labour:

By the Chairman:

Q. Do you wish to make a statement to the committee, Mr. Murdock?—A. All right, I will do that. Mr. Chairman and gentlemen, I attended two meetings of the cabinet council on August 15, 1923. One meeting commenced at 10.30 a.m. and lasted until about 12.40 p.m., and the next meeting from 3 p.m. until 4 p.m. I withdrew from the Home Bank of Canada, Ottawa branch, around one p.m. on August 15th, the $4,050, which have been referred to. Neither at the time I made that withdrawal nor since did I for one moment think that I had in any way been untrue to my obligation as a cabinet minister or a member of parliament. However, having noticed certain newspaper reports in, I think, February or March, when the liquidator of the bank wrote me the letter of May 7th, which is in evidence, I decided as per my letter of reply dated May 14, and proceeded to return the money as promptly as it could be arranged. I think, Mr. Chairman, that covers the statement necessary. I might say of course, that I am precluded by my oath as a cabinet minister from intimating in any way whether any questions in relation to the Home Bank of Canada were or were not discussed at either of the cabinet meetings on August 15, which I have said I attended.

By Mr. German:

Q. Had you not prior to August 15th, had any information of the financial standing of the Home Bank, or as to its solvency or insolvency?—A. Yes, I had some days prior to that received what looked to me to be very conclusive information that it was not a safe place to leave my sessional indemnity.

Q. This was your sessional indemnity?—A. Yes. I drew it as a lump sum on July 3rd, deposited it in the Home Bank, and changed its location on August 15th.

Q. Did you receive that information in your official capacity as a minister of the Crown?

Mr. Porter: That is a matter for the committee.

Then there is a long discussion. Further on:

By the Chairman:

Q. Have you any objection to stating, Mr. Murdock, under what circumstances you received that information?—A. I have no objection to stating anything that will be of assistance to the committee.

Q. Just answer my question.—A. I received that information from a member of parliament some few days before, or, to be exact, on the 9th of August.

By Mr. Porter:

Q. Would you tell us who the member was?—A. The Deputy Speaker.

Q. The Hon. G. N. Gordon?—A. Yes.

By the Chairman:

Q. What information did you receive?—A. Mr. Chairman, my memory would be faulty to indicate just exactly what I received but I did receive that from hearing Mr. Gordon recite various facts in connection with the Home Bank, its then present condition and references to some of those who were connected with the Home Bank, and this gave me to understand that it was not by any means a safe institution. Further than that I do not think I should say definitely—

By Mr. Porter:

Q. And after getting information from Mr. Gordon did you get any further information?—A. No.

Q. You say "No"?—A. "No".

Q. Of any kind or description—or anywhere?—A. Not that would form my opinion in regard to the matter.

Q. It may not have formed your opinion, but did you get any other information?—A. No one else had discussed that matter with me at all.

Q. Had you any better knowledge on the 15th as to the condition of the bank than you had on the 9th?—A. I would say not.

Q. Why did you get in such a hurry on the 15th?—A. Well, I do not know whether it was a question so much of getting in a hurry—

Q. It seems to be—

The Chairman: Let the witness finish his answer.

The Witness: I proceeded to do on the 15th what I intended to do, and no doubt would have done, excepting that I neglected it for several days.

This evidence is corroborated by the Deputy Speaker whose evidence is to be found at page 109 of the evidence.

Mr. MEIGHEN: Will the hon. member tell the House now whether he considers the evidence he has just quoted as intended to be a denial that the information was received at a meeting of council?

Mr. ARCHAMBAULT: I certainly do.

Mr. MEIGHEN: Then how does the hon. member explain the statement of the Minister of Labour (Mr. Murdock), which he quoted just before, that his oath forbade him to say what was discussed at the meeting of council?

Mr. ARCHAMBAULT: I do not think that it would have been proper to ask the Minister of Labour to make any such disclosure, but in answering a question put directly to him, whether he had more information on the 15th than on the 9th, he could do nothing but tell the truth, and he answered that he received no further information on the later date.

Mr. MEIGHEN: Does the hon. member take the view that the answer constituted a breach of the minister's oath of office?

Mr. ARCHAMBAULT: I am not the judge and I will not decide that point. This evidence was confirmed by the Deputy Speaker (Mr. Gordon) whose testimony is to be found at page 108.

Sir HENRY DRAYTON: Before the hon. member leaves that point he might tell us what significance he attaches to the answer at page 77 in which the Minister of Labour stated:

There were other circumstances that brought the matter to a head on the 15th.

What were the "other circumstances" except the cabinet meetings?

Mr. ARCHAMBAULT: The minister stated that he proceeded to do on the 15th what he had intended to do on the 9th, and which he did not do on that date owing to exceptional circumstances that prevented him. Surely my hon. friend cannot infer from that answer that the Minister of Labour received his information at the cabinet meeting. The hon. gentleman has been practising at the bar a long time and he should know what legal evidence is.

Mr. MEIGHEN: In the face of the minister's statement that he considered himself bound by his oath not to divulge whether or not the subject had been discussed at the meeting of the cabinet, does the hon. member think it is fair to argue from the quotation, as he has done, that it constitutes a denial that the subject had been so discussed? Does he think that argument is fair in view of his own repeated rulings in which he refused permission to the hon. member for West Hastings (Mr. Porter) to question other ministers on the very point, or to cross-examine them?

Mr. ARCHAMBAULT: In answer to the right hon. member I must say that I stand by the ruling I gave. I have already explained, and I will explain again, that the question was put point blank by the hon. member for West Hastings to the Minister of Labour, whether he had any more information on the 15th than he had on the 9th. Probably it was not legal for the Minister of Labour to answer in the way he did, but the question was put and he answered it frankly without considering whether it was legal or not.

Mr. MEIGHEN: Is not this the only honest explanation—that the Minister of Labour considered that answer subject to his first reservation, that he would not say anything as to whether or not the matter had been discussed in council?

Mr. ARCHAMBAULT: That is hair-splitting. At all events, the House will consider the evidence and will form its own opinion upon it. I was going to refer hon. members to the testimony at page 108 wherein the evidence of the Minister of Labour is confirmed by that of the Deputy Speaker. Let me quote the following:

By Mr. German:

Q. Did you see the Hon. James Murdock in his office in Ottawa on the 9th of August last?—A. Yes.

Q. Did you have a conversation with him regarding the Home Bank of Canada?—A. Yes, sir.

Q. Did you at that time know that Mr. Murdock had any deposit in the Home Bank?—A. No, I did not know it then.

Q. What did you tell Mr. Murdock in respect to the Home Bank?—A. I am not very clear what I told him about it, but my recollection is that I intimated that it was a lame duck and, I thought, the next one to go.

The evidence is therefore corroborated. Now, some hon. members who voted against the report have argued, as probably they will argue to-day, that the very fact that the Minister of Labour withdrew his money immediately after the meeting of the cabinet creates a strong suspicion that he had received further information at that meeting regarding the state of the Home Bank; and it is further contended that this suspicion is sufficient to convict the minister of the charge. This strikes me as an astounding doctrine; it is a doctrine which is contrary to every prin-

ciple of British justice. Who ever heard of convicting a man on a mere suspicion even though that suspicion be very strong? It is fundamental law that the presiding judge at a jury trial must instruct the jury that they cannot convict the accused on suspicion; and if the judge fails so to warn the jury and they do convict, then their conviction is invariably quashed by the court of appeal.

I desire to touch upon another point which probably is not of very great importance now, except in justice to myself. I ruled in the course of the proceedings that the minister could not even be asked to say who were the members present at the meeting of council. It is quite true that I gave that ruling, and mention of the fact is not important now, except for the reason I have stated, inasmuch as the Minister of Labour himself admitted that he was at the meeting. Let me, however, draw the attention of the House to the ruling of Chief Justice McKeown in the inquiry into the Home Bank of Canada, which ruling will be found at pages 562-3 of the proceedings of the royal commission that investigated that matter:

Q. At what time of the day was the meeting held? —A. I think we met in the morning.

Q. You were there?—A. I was.

Q. What other members of the cabinet were there?

Mr. Lafleur: (Objects).

Right Hon. Mackenzie King: I have taken an oath as Privy-Counsellor to disclose nothing that transpires in the cabinet.

Mr. Reid: I am not asking about anything that transpired, I want to know who was present?—A. I could not say, I do not know, and I do not know that it would be proper for me to say if I did.

Q. Did the directors of the Home Bank come to that meeting of the Dominion cabinet?—A. No.

Mr. Lafleur: I respectfully submit that it is not proper to ask the Prime Minister what occurred at a meeting of the cabinet.

His Lordship: I think not.

Mr. Reid: I understand that is the ruling, but where there is a matter of such public importance as this it is important for the public and the shareholders and depositors to know what took place.

His Lordship: You need not argue, it will be excluded, I have a very strong feeling about it.

Mr. Reid: Does your lordship also rule that Mr. King is not allowed to tell us who was present at a meeting sitting as a cabinet.

His Lordship: I do not think that would be admissible.

Mr. Reid: There is a record of the attendance.

His Lordship: Perhaps you can get it some other way, but nothing that took place in the Privy Council would be admissible. I remember having that same question before me in connection with Mr. Fleming's investigation at the time when his acts as premier of the province were challenged. It was sought to be shown that certain things had taken place in the meetings of the government, it did not seem to me then to be admissible and it does not now.

Mr. Reid: Then on the night of August 14, 1923, when you had this interview at your house with Messrs. Robb and Graham and Low, I suppose in the ordinary course the result of that interview would be placed on record in the files of the government.

[Mr. Archambault.]

Mr. Lafleur: That is objectionable also.

His Lordship: The Prime Minister has told us all that took place there, you know.

Right Hon. Mackenzie King: There was no record kept of it, I made no record and there was nothing placed on file as a result of it.

Mr. Reid: Did you bring it to the attention of the other members of your government?

Mr. Lafleur: That is objectionable also.

His Lordship: I do not think you can proceed any further.

So in justification of the ruling which I gave, I would point out that Mr. Justice McKeown, who, as everybody will admit, is a gentleman of high legal attainments, ruled that the minister could not name even the other members who were at the cabinet meeting. Therefore I had to follow his ruling.

Now, Mr. Speaker, I submit that I might rest the case right here without examining the soundness of the third proposition when the second was not proven by the hon. member for West Hastings (Mr. Porter). However, I purpose making a few remarks in regard to that proposition. Even if it had been proven that the Minister of Labour had received at the meeting of council further information respecting the position of the Home Bank, and afterwards had withdrawn his deposit there, I very much doubt whether his action could be regarded as something contrary to his obligation as minister and in derogation of the honour, dignity and traditions of parliament. I do not say that he would have been justified in doing so, but I entertain very grave doubts as to the absolute impropriety of such action. I may be wrong from a technical point of view, but I feel that I am right from a human and Christian viewpoint. Some people are under the impression that the oath of office taken by a member of the cabinet prevents him using information obtained in that capacity to avoid personal loss. There is no ground for such impression I quoted part of the oath of office a minute ago; in order to make the case clear I will read it in full. It is in these words:

You do solemnly promise and swear that you will serve His Majesty truly and faithfully in the Place of His Council in this His Majesty's Dominion of Canada, you will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council, without publishing or disclosing the same or any part thereof, by Word, writing, or any otherwise to any Person out of the same council, but to such only as be of the council, and yet if any matter so propounded, treated and debated in any such Privy Council, shall touch any particular Person, sworn of the same Council upon any such matter as shall in any wise concern his Loyalty and Fidelity to the King's Majesty, you will in no wise open the same to him, but keep it secret, as you would from any person, until the King's Majesty's pleasure be known in that behalf. You will in all things to be moved, treated and debated in any such Privy Council, faithfully, honestly and truly declare your mind and opinion to the honour and benefit of the

King's Majesty, and the good of His Subjects without partiality or exception of persons, in no wise forebearing so to do from any manner of respect, favour, love, meed, displeasure, or dread of any Person or Persons whatsoever. In general you will be vigilant, diligent and circumspect in all your doings touching the King's Majesty's affairs; All which Matters and Things you will faithfully observe and keep, as a good Councillor ought to do to the utmost of your power, will and discretion.

So Help you God.

Hon. members will see that the oath contains nothing which could be construed as preventing a minister from withdrawing a bank deposit on information which he might have received at council. It must, I think, be admitted that a minister in choosing an investment could not make use of any special information so received; for instance, he could not invest in a company whose profits were to depend directly or indirectly upon a contract about to be entered into with the government; nor could he receive directly or indirectly in relation to his investment any favour from a person proposing to contract with the Crown; in a word, he is precluded from making any profit through information that he receives as a cabinet minister. But is he precluded from using any such information for saving what belongs to him by right? Would it be contrary to his obligation and in derogation of his office and of the honour, dignity and traditions of parliament if, through such information, he were to remove his property from one place to another place where he has a perfect right to put it? I know that some hon. members have expressed a view to the contrary. I respect their opinion, but I have grave doubts whether this simple and human act of self-preservation, an act which was performed by hundreds of depositors of the Home Bank on the 14th, 15th, 16th and 17th of August, would be contrary to the oath of office of a minister of the Crown and in derogation of the honour, dignity and traditions of parliament. A very effective way, Mr. Speaker, of examining the soundness of a proposition is to cite some examples of its application. If I understand aright the contention of the hon. member for West Hastings, and also, I believe, of the right hon. leader of the opposition (Mr. Meighen) in their opinion a minister of the Crown is, under no circumstances whatsoever, allowed to use any information received in his capacity as minister to save a loss or avoid something that may be detrimental to his interests, as pointed out by the hon. member for East Toronto (Mr. Ryckman) during the inquiry. The latter gentleman stated that under no circumstances should a minister use any information which he obtains as a minister for the purpose of furthering his private interests or avoiding a loss. To show how absurd it would be to make no exception whatever to such a rule—and I say this with all respect—I will ask a few questions of the hon. member for West Hastings. Suppose, for instance, that at a cabinet meeting the hon. member heard that there was going to be a riot and that the House of Parliament might be ransacked and burned, could he not go to his room and take away his personal effects? If he does so, he is acting on private information that he has obtained at a meeting of council to further his own interests. I will go a step further. Suppose my hon. friend becomes a minister of the Crown in a Tory government—he might have to wait twenty or twenty-five years, but suppose he does—and suppose he has a bank account in his home town of Belleville and another in Ottawa; and suppose before leaving Belleville in the morning he has received in cash a sum of $4,000, but has no time to deposit the money in his bank at Belleville; and suppose he puts the money in his pocket and during his journey to Ottawa he decides that, it not being safe to keep so much money about his person, he will deposit it in his bank in this city; and, suppose further, that on his arrival here he proceeds towards the bank and on his way there he notices it is pretty late. The cabinet is sitting, and he changes his mind and says: I will put that money into the bank after the meeting of the cabinet. He attends the meeting of the cabinet and there learns that the bank where he usually deposits his money is going to fail. Now I am going to ask my hon. friend one question: Would he, under those circumstances, after having attended a meeting of the cabinet, proceed to the bank and deposit his money?

Mr. PORTER: If I got my information there only, yes.

Mr. ARCHAMBAULT: Do I understand that the answer is "yes?" Then, Mr. Speaker, parliamentary rules prevent me from saying what I think of this answer. If the hon. member was going to say "no," it would mean that he would avoid a loss through not depositing his money there because he would have learned at a meeting of the council that the bank was going to fail. I hope for the sake of my hon. friend that there will be a few people in this country naive enough to believe that, having learned of the im-

minent failure of the bank, he would proceed to put his money into that bank that he knew was going to fail.

I have only this to say in conclusion. I recall a sentence which was uttered by one who I think was the greatest student of humanity, Saint Francois de Sales, who said: "Nous sommes des aigles pour decouvrir les defauts d'autrui, mais des taupes pour decouvrir les notres," or in English, "We have the eyes of the eagle to discover the failings of others, but we have the eyes of the mole to discover our own." Were I not chairman of this committee, I would not fail to commend this sentence in regard to certain actions which took place during the last administration, but my position as chairman prevents me from doing so.

Sir HENRY DRAYTON: You cannot go any harder, can you?

Mr. ARCHAMBAULT: It would be very easy for me—

Sir HENRY DRAYTON: Go on; I would.

Mr. ARCHAMBAULT: —but I contend that as chairman it would not be proper for me to do so. Therefore, Mr. Speaker, convinced of the righteousness of the report, and having in mind that a man's reputation and honour is his most precious asset, I have no hesitation in moving the resolution which I have placed in your hands.

Mr. E. GUSS PORTER (West Hastings): Mr. Speaker, it is almost needless for me to say that I entirely disagree with the report that has been presented by the committee to this House upon this matter. I do not know that it will add particularly to my reputation that the chairman of the committee has paid me the compliment he did to-day, but still, I accept it. I cannot say that I am as enthusiastic or that I agree at all with the sentiments that the chairman has expressed in moving this motion regarding the conduct of the committee when this inquiry was made before it. I have very grave objections to the way in which that investition was conducted, but I have endeavoured both in introducing this matter to the House and in my conduct of it before the committee of inquiry, to merit the compliment the chairman has paid me of conducting it in a fair impartial manner, and I think I have fairly well succeeded in doing that before the committee. The chairman himself pays me that compliment.

I do not want a verdict or a judgment from this House upon suspicion. As the chairman has stated, I have never asked, nor did I ever expect, a finding in favour of the charge I made against the hon. Minister of Labour upon the ground of suspicion; far from it. I would be one of the last to ask this House or to ask anybody to convict a man upon suspicion alone, but what I do ask from this House, and I ask it in all fairness and in all sincerity, is to give a judgment upon the facts, and upon the reasonable inferences and conditions and circumstances surrounding the facts that have been presented in this case.

I am not here asking for sympathy. This is not my case. Do not be confused on the issue. This case is just as much the case of every man sitting in this parliament as it is the case of myself. It was I who brought the matter to the attention of parliament, but the facts affect parliament just as much as they affect me. If those facts have been proven, then it is the duty, it is the obligation of parliament, to apply the proper remedy. It is not for me; I am only one of you. I have my voice and my say in the matter, but the responsibility in the last analysis rests upon every member of this House of Commons, and I propose in dealing with the matter to-day to pursue the very same course that I have endeavoured to pursue throughout this inquiry, and present the case in a moderate way, not asking for sympathy, not expecting political bias, but expecting a fair, square, and honest judgment upon the facts as I shall endeavour to present them to the House.

This matter comes before the House to-day in a very different manner from the question that came before the House last night, upon which I took occasion to say a few words. The church union question came before us without this House having had the opportunity of either hearing or reading the evidence or of hearing the argument of counsel upon the matter, and for that reason I argued last night—and I want to show my consistency—that the committee was better conditioned to decide that matter than a body of men who had not had the privilege of hearing or reading the evidence, or of hearing the argument in the case. But the case now before us is entirely different. In this case the precaution was taken and an order of the House was procured by which every word and syllable of evidence offered before the committee was printed and circulated and placed in the hands of every member of parliament. The evidence, the argument of counsel, the observations of the chairman, the cross-examination by counsel

who appeared on different sides—everything is there. Full information is before every member of this House, and there is no reason for any member to say, nor is there any excuse for him saying: I did not hear the evidence; I do not know what the facts are; the facts have not all been brought out, therefore I am not in a position, perhaps, to pass as fair a judgment on the matter as members of the committee.

This House is not in that position to-day; the precaution was taken to guard against that. Hon. gentlemen will observe that I moved before the investigating committee that the evidence be printed. That was done in order that it might be in possession of every hon. member so that he would be in a position to study the testimony and arrive at a fair and accurate judgment upon the matter. That is the position but it has entirely changed since I rose in this chamber on the 22nd May last and made the disclosures that I did make, and preferred the charge that I did based on those disclosures. I shall have occasion to refer to that later on. During the almost twenty-five years that I have occupied a seat in this House I have had the privilege of seeing and hearing a great many reports of committees brought in. I have heard reports upon almost every conceivable subject that could come before parliament; I have heard reports made by committees of every possible political stripe; I have heard reports that I and everyone hearing them knew were influenced wholly or largely by political exigency, and political feeling, and that were characterized by political bias. One can well understand that. Matters of commerce, questions of political policy, issues relating to the development of our country, all these and many other subjects may properly be viewed from one political angle or the other and considered from the point of view of the results to be brought about—some good, others bad. But in all such cases it was possible to at least give credit to one political party or the other for an honest endeavour to carry out what that party believed, and honestly believed to be for the benefit of the country. But this is not a question of that character no matter from what point we view it. Here is a question which involves the honour and the dignity of parliament, and there is no political standard by which the conduct of the accused can be gauged or governed. The one standard, to my view of thinking, by which such conduct must be appraised is the standard of common honesty and respectability as it is known to the ordinary people of this country. I am asking the House to apply that standard to-day. I am asking it to divest itself of all political feeling in this matter. It does not signify whether the Minister of Labour sits upon one side of the House or the other; whether the administration concerned is a Liberal cabinet or a Conservative cabinet; the question to be determined is this: Has the Minister of Labour, in view of all the facts that have been disclosed in this investigation, acted in such a manner as to meet the approval of the House, in such a manner as the House would like to have him act? Has he done the honest and proper thing. Has he done what any one of us would do? Unless we are in a position to answer that question in the affirmative there is only one course, it seems to me, for the House to take.

Now, in an ordinary matter—and I speak of it as an experience that might happen to almost any parliamentarian—where a member of parliament, or a minister of the Crown, has committed an error or made a slip, has done something that would not meet with the approval of his fellows or the approval of the public, but with no wicked intent, for no criminal object, and with no desire to do somebody else a wrong—under such circumstances the ordinary public, and members of parliament in particular, would adopt a sympathetic attitude. I would have found myself in that very position to-day had the Minister of Labour, in view of the evidence that has been given against him in this matter, taken a course such as would warrant the extension of sympathy to him. But to my view he has entirely forfeited any right, which under other circumstances he might have earned, to the sympathy of members of this House and to the sympathy of the public. From the very inception of this case he has pursued a course that has been defiant, he has adopted an attitude that has not enlisted the sympathy of any one. When first faced with this charge in the public press what position did he take? Did he come frankly before the people—because the matter having been ventilated in the press the charge was in the public mind—and say "I took this money" and tell exactly what the facts were? Did he say, "I admit I did this, but I did not think I was doing anything wrong"? No, he did not. When the charge was made he said, "I drew the money out to pay for a house, and I should like to know whether I have not got the right to do that?" Was that an honest straightforward answer to the charge? But the minister did not adhere to that; he has retracted the statement so far as—

Mr. ARCHAMBAULT: Will my hon. friend point out where in the evidence the Minister of Labour ever stated that he withdrew this money to pay the mortgage on his house? Is there anything in the evidence to show that?

Mr. PORTER: Yes.

Sir HENRY DRAYTON: It is there.

Mr. PORTER: I will come to it in good time.

Mr. ARCHAMBAULT: Newspaper talk.

Mr. PORTER: I do not want a snap verdict in this case. If any hon. gentleman desires to ask me a question and will be good enough to make a note of it I shall be very pleased to give him an answer, if I can, when I conclude my speech. The first statement of the minister was that he was going to pay the money on his house. At the investigation before the committee, after witnesses had been subpoenaed to prove the fact, he was obliged to admit that the statement was not wholly true; he intended to pay the money upon the house at some time but did not pay it at that particular period. The time he intended to pay it was sometime about 1st October. That was the statement he made at that time, and that went unchallenged—not a word about it, until it came before this House upon the charge made by me and upon the request made to this House to grant me an inquiry to ascertain what the facts were. When he came before this House and made his statement, what was the attitude of the hon. minister at that time? Was he frank? Was he fair? Did he make a full and honest statement? Let us just examine for a moment and see what he did.

When he came before the House the only excuse, the only possible defence, the only semblance of a defence that he offered was to read two letters and a statement that passed between himself and Mr. Clarkson, the liquidator of the Home Bank. One letter showed that the liquidator of the bank had discovered, by conversation and otherwise, that the Minister of Labour had withdrawn his money from the Home Bank under circumstances that required explanation, circumstances that constituted a suspicion of wrongdoing, circumstances that would show the liquidator and did convince the liquidator that the money had been withdrawn illegally and improperly from the bank. As far as the bank's position was concerned, Mr. Clarkson, having discovered these facts, writes him a letter making a demand for a return of the money. Did the Minister of Labour have any intention of returning the money before that? Now listen to the false and untrue excuse that he gave in that letter. He wrote to Mr. Clarkson stating that he was going to return the money. And why? Not because he thought he was legally liable, but because he would not have any depositor or shareholder of the Home Bank suffer by reason of his action. He had a wonderful amount of compassion and consideration for the widows and orphans who were depositors in the Home Bank when he took the $4,000 out, knowing the bank was going to fail! He did not change his mind when the newspapers came out and charged him with it. He stuck to the money for months after the publication in the papers; he stuck to the money until the matter was brought up on the floor of this House. But when he was charged on the floor of this House, he said, "Oh I will give it back for the sake of the depositors."

Mr. CANNON: He gave it back before.

Mr. PORTER: He gave it back a few days before.

Mr. CANNON: The hon. gentleman is making a misstatement.

Mr. PORTER: I am not making a misstatement. He read the letter on the floor of the House and that was the contents of the letter.

Mr. CANNON: He returned the money before.

Mr. SPEAKER: Order.

Mr. PORTER: Mr. Clarkson's letter was written on the 7th of May and the Minister of Labour answered it on the 14th of May, and on that very day it came out before Mr. Justice McKeown in the Home Bank inquiry that the hon. Minister of Labour had withdrawn his money from the bank. He paid it back after the fact had been discovered in an inquiry. And then he endeavours to say, "Oh, out of consideration and compassion for the Home Bank depositors I am doing this." But that is not all. He did not pretend when he was charged upon the floor of the House —which quite possibly might have ended the whole matter—to set up a defence that any reasonable man would say was a defence. He did not say then "Why the Deputy Speaker (Mr. Gordon), told me six days before I withdrew the money about the apparent failure of the bank, and I drew the money out six days after, in consequence of what the Deputy Speaker told me." He gave no excuse or reason of that kind. It was absolutely

withheld from this parliament and from the public. If it is a defence now, why was it not stated at that time? What would any man who desired that the public and this parliament should know the full facts do under these circumstances? Hide it? Hide his light under a bushel? Or would he come out and say, "Here are the facts; if I have done wrong I regret it." But no, he kept the facts away from parliament. Then at last parliament grants the inquiry and he is brought before the committee. He comes before the committee. True he was not bound to appear there, but he did appear. And what did he do? When parliament had forced the matter to an inquiry and the facts were bound to be discovered, he sat there day after day while the inquiry was going on and evidence was being adduced before that committee, and it was only when he must have felt the noose tightening round his neck, metaphorically speaking, and when he thought discretion was the better part of valour, when he thought it was better to come from under cover, he said to me through his counsel, "I would like to make a statement to the commission." He has had the fairest of fair treatment from me, so far as this inquiry is concerned. When he made that proposition I said "Yes, come on and make your statement;" and he did so. He made a statement that covers about half a dozen lines in the evidence taken before that committee. Did he tell the whole facts then? He came before the committee when the evidence was closing in upon him, when it was getting closer and closer every moment, and he said, "I did draw my money out of the bank, $4,050 on the 15th day of August." That is the statement that he made. Did that statement set forth all the facts we were after? We knew that fact and had proven it, and had the witnesses there prepared to prove every line and word of the statement made before the House on the 22nd of May. No, he does not see fit to answer that statement. He only added to that such facts as were forced from him on cross-examination, as members of this House will see on reference to the evidence. He did, however, add some things there, and he added some things that are very material. Then he having completed his statement at that time —the third attempt at defence—we went on with the evidence. I was not satisfied to let the matter rest there. I knew that all the facts had not come out, and I went on to prove the additional fact—and I did prove it —that when he took the $4,000 out of the Home Bank and deposited it in the Royal Bank, he deposited it in the name of his secretary, Miss McCool. Why? Another attempt to evade discovery, to hide it away somewhere where it would not be so easily discovered. He felt the importance of this because again he said to the committee: "I should like to come in and make a statement; I should like to clear this up." If it needed clearing up, why did he not clear it up in the first instance? Why did he not tell the whole story, the whole facts? He was again allowed to come into the witness box and to add a fourth edition to the defence that he was trying to make to this charge. It turned out that when he made the deposit in the Royal Bank he deposited it in the name of his secretary in order that she might draw this money out.

Mr. LOGAN: I do not think the hon. gentleman wants to be unfair, but he will remember that the evidence was that he did not deposit the money himself; that he handed the money to his secretary in his office to deposit.

Mr. PORTER: My hon. friend is quite right.

Mr. LOGAN: Then why not say so?

Mr. PORTER: The minister carried the money in his coat pocket from the bank. He said that he was carrying it in his outside coat pocket; he did not want to carry it there, so he handed it to his secretary to make the deposit.

Mr. CANNON: Is it not a fact that it has been proven in evidence that the secretary had a power of attorney and has had a power of attorney for some time previously?

Mr. PORTER: On an account in another bank, but she had no power of attorney in the bank in which the money was being deposited. The money in the Home Bank was in the minister's name and she had a power of attorney to draw on that. She had no power of attorney in the Royal Bank and she deposited the money in her own name in trust. I cannot conceive of any honest reason for doing that. One can conceive of reasons for doing it. The only one that appeals to me is that it would have been much easier to discover the facts of this case if the money had been deposited in the name of the Minister of Labour rather than in the name of the secretary of the Minister of Labour. That has been the conduct that has characterized the Minister of Labour all through this matter, and it is for those reasons, and just speaking generally in regard to them, that I say I

think the Minister of Labour has forfeited all right, all claim, to the ordinary pleadings for sympathy that would go out from the ordinary man to a man who had made, say an innocent or a bona fide mistake. If I was assured as I was on the 22nd May when I made this charge against the minister, I am doubly assured now, because not only have the facts occurred as I related them to the House on that occasion, but they carry with them as the only reasonable and fair inference, a dishonest intent, and I am not putting the matter a bit too strong when I say that.

Hon. members will remember that when I first brought this matter to the attention of parliament, I dealt with the case in three different branches. I first endeavoured to lay down certain principles that should govern the conduct of cabinet ministers and stated what those rules were. I supported the statement that I made at that time by reference to the remarks or statements of some of the ablest statesmen known to the British parliament. When I had finished stating the principles that should apply to this case, not an hon. member in this House undertook to contradict or question in the slightest particular any one of those principles that I had enunciated and asked to have applied. In fact, when the Prime Minister (Mr. Mackenzie King) spoke on that occasion, he not only agreed absolutely with the principles that had been so stated, but said that he would go even further if that were possible; he was in absolute accord. I then took up the position of what the duties of a minister were as a trustee of the Crown, as a trustee of the people, and in his personal or individual capacity. And no question whatever was raised in regard to that; there was absolute accord again. Then I took up a statement of the facts, and in order that there might be no dispute, no cavil or controversy about the question, I numbered the paragraphs 1 to 12, twelve paragraphs of fact; and I made the assertion upon the floor of this House that I was credibly informed and believed, as I did believe, that I could prove every one of those statements of fact. I want hon. members to realize the position that the House is in just at this time in regard to this matter. We were in absolute accord in regard to the principles; we were in absolute accord in regard to the duties; the only question that then remained was the question of facts and the deduction to be made from those facts. I stated the facts, and I will take occasion to read them again. After having stated all those facts, I drew the conclusion that:

> The Hon. James Murdock, Minister of Labour, did withdraw from the Home Bank, at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein, to his credit, using certain information he had received as such minister, of the likely immediate failure of the said bank, and had received advantage and profit to himself to the extent of such withdrawal, contrary to his obligations as such minister, and in derogation of his office and the honour, dignity and traditions of parliament.

That was a deduction from the series of facts that I had stated. That is the only deduction that could reasonably be drawn from the facts as presented to this House, and I asked this House on that occasion practically this in so many words: There are the facts and I can prove them; and it is a fair deduction, if they are proven to be facts, that the minister has been guilty of the wrongdoing with which I have charged him. I said to this House then: Will you grant me an inquiry to find out whether these statements are true or not? And what was the verdict of the House? Every hon. gentleman said, "Yes, have the inquiry."

Now, what onus or obligation did that impose upon me? What obligation did it impose upon the House? So far as I was concerned, it left it incumbent upon me to prove the facts I had alleged; and the obligation was upon this House, if I did prove those facts, to apply the remedy. The position has changed just to this extent—the obligation still rests upon this parliament, and upon every hon. gentleman who wishes to see the honour of parliament vindicated, to declare whether or not the facts are proven. Every hon. gentleman must say for himself, "If these facts are as alleged, then I must perforce apply the necessary punishment if punishment should be meted out. And if the facts are not proven then it is my duty to declare that the charge must go by the board." I made my statement, bearing willingly as a member of parliament the whole responsibility in so doing. I am not in any manner shirking that responsibility now; I am perfectly ready and willing to take whatever may be coming to me in consequence if I have made a false accusation against the Minister of Labour. But I do hope and I expect that I shall get a fair, unbiased expression of judgment from this House.

Just before coming to questions of fact I want to refer for a moment to the only defence which it seems to me the Minister of Labour has attempted to set up in all four of the efforts he has made to clear himself in this matter. The thing has narrowed itself right down to a statement of alleged fact, that he received information from the Deputy Speaker on the 9th day of August; and he would have it inferred that by reason

of that information received on August 9 he withdrew his money on August 15. But hon. members will search in vain throughout all the evidence to find one single word from the Minister of Labour to the effect that he did withdraw that money from the Home Bank as a result of what he was told by the Deputy Speaker. The minister has never made any such statement although he has had at least four opportunities of doing so.

Let us now examine for a moment or two just what the charge is, because I want the House to understand fully and precisely what I did charge; the House will hold me accountable only for the charge which I did make and which I am prepared to stand by. What is the charge I made?—and I am speaking now more particularly with reference to the oath of office. It was argued in the committee, and it has been argued to some extent on the floor of the House to-day, that so far as the oath of office is concerned the acts which it has been shown that the Minister of Labour committed do not constitute an offence. I wish to take issue with that point of view; I say that they do. But even if they do not, let me point out that I have never yet charged that the Minister of Labour violated his oath of office; I never used such an expression at any time. I want hon. members to understand that, because the hon. member for Welland (Mr. German) argued the point before the committee. He read the oath of office and he said: "Why, gentlemen, there is not a single word within the four corners of that oath that prevents James Murdock from going and getting his money as he did." The hon. member went further: "Why," he said, "you would not hang a cat on evidence of that kind." Well, I do not believe that he ever would hang a cat on such evidence, or that he would have a chance to; indeed, I do not think that any self-respecting cat would be guilty of such a thing. But be that as it may, the hon. member for Welland thought that this was the right and the honourable position to take —that a minister might not be guilty because the oath of office did not say in so many words: You must not rob a bank, you must not defraud the widows and orphans who are depositors in the bank, you must not use the knowledge you secure as a minister in council, or out of council, you must not utilize the information you get as a minister, to your own advantage. Because the oath does not say that in so many words, therefore the position is taken that no man can be guilty of any offence in that direction. But what did such men as Sir Rufus Isaacs and Lloyd George say in a similar situation? When it was brought up in the British parliament in a resolution to the effect that the House regretted the fact that these gentlemen had been guilty of an indiscretion in buying Marconi shares, what did the men do whose honour was involved? Did they take the position which as I have just indicated the Minister of Labour took? No; they came before parliament on the first occasion on which the resolution was moved and admitted every single statement that was made against them; they admitted the principle which the Prime Minister has admitted here; they admitted their duty; and they expressed their deepest regret that they had been guilty of such an indiscretion. And what did parliament in its charity do? Just as I argued a few moments ago that this House probably would do had the Minister of Labour pursued the course which those gentlemen adopted; had he expressed his regret, that would probably have ended the matter. But he has taken the very opposite course; he has taken a course of defiance of parliament; he has taken a course of defiance of what the common people of this country believe to be the right and straight thing.

To proceed with the question of the oath of office. As I have stated, I did not use the expression that the minister had violated his oath. This is what I said:

> —using certain information he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister—

Not contrary to his oath. I said:

> —contrary to his obligations as such minister—

In all fairness and in all decency let me ask every hon. member: Is it not contrary to the minister's obligation of office for him to conduct himself in this case in the manner in which he is proved to have conducted himself? If this House is prepared to say that that sort of conduct is to be approved, and that any other hon. member can do the same thing and justify himself, I must be content.

But it is not necessary for this House to find that the minister violated the obligations of his oath. I submit that I have proven to the very hilt, as I shall presently show, every one of the statements of fact that I made there. Having done that, I ask: Is it possible for this House, after having said on the 22nd May, "If you do prove those facts, a wrong has been done, and it must be remedied," to now turn round and say, "Well, although you have proven those facts, no offence has been committed?" I intend to argue, and I

think conclusively that not only has there been a violation of his obligations as a minister, but that he got from the cabinet the information which enabled him to violate his obligations. He may have got some, too, from Mr. G. N. Gordon. But either is sufficient to prove my argument. I call attention to the fact for this purpose. I charged that the minister had violated his office—not his oath—that he had as a minister done that which ought not to receive the approval of this House. Now, if he got from the Deputy Speaker such information as he swore to, even then he has brought himself within the charge that I made, because the evidence shows that he got the information from the Deputy Speaker in his, the minister's office, when they were together upon official business, he as Minister of Labour and Mr. Gordon as a member of parliament. Let me refer briefly to the evidence to show the information which the minister then obtained. At page 75 of the report will be found the following:

By Mr. German:

Q. Had you not prior to August 15 had any information of the financial standing of the Home Bank, or as to its solvency or insolvency?—A. Yes. I had some days prior to that received what looked to me to be very conclusive information that it was not a safe place to leave my sessional indemnity.

Q. This was your sessional indemnity?—A. Yes. I drew it as a lump sum on July 3, deposited it in the Home Bank, and changed its location on August 15.

In cross-examination by myself he is asked this question:

Q. Would you tell us who the member was?—A. The Deputy Speaker.

Q. The Hon. G. N. Gordon?—A. Yes.

Now this is what he asks this House to believe influenced him to withdraw his money from the Home Bank and deposit it in the Royal Bank:

By the Chairman:

Q. What information did you receive?—A. Mr. chairman, my memory would be faulty to indicate just exactly what I received but I did receive that from hearing Mr. Gordon recite various facts in connection with the Home Bank, its then present condition, and references to some of those who were connected with the Home Bank, and this gave me to understand that it was not by any means a safe institution. Further than that I do not think I could say definitely—

There is the information he got, and that is the impression which it made on him. Now, let us turn for a moment to Mr. Gordon's evidence and see what he adds to that. I quote from page 108: 5 p.m.

By Mr. German:

Q. Did you at that time know that Mr. Murdock had any deposit in the Home Bank?—A. No, I did not know it then.

Q. What did you tell Mr. Murdock, in respect to the Home Bank?—A. I am not very clear what I told him about it—

[Mr. Porter.]

He is not clear; neither he nor the minister can say clearly what the conversation was.

—but my recollection is that I intimated that it was a lame duck, and I thought the next one to go.

Then he is asked further:

By Mr. German:

Q. What did you notify Mr. Murdock regarding this?—A. I did not notify him.

And again he is asked:

By Mr. Hanson:

Q. The conversation you had, Mr. Gordon, with Mr. Murdock, that information regarding the Home Bank was purely casual?—A. Yes.

. . . . . .

Q. That was an opinion you picked up from people other than those connected with the bank?—A. Yes.

Q. Those who would have no intimate knowledge of the exact condition of the bank?—A. Not exactly. About a month before the session adjourned Mr. Herb Daly and I sat up on the C.P.R. train for a couple of hours and talked matters over.

Q. That would be about a month previous?—A. I would think so, before the House adjourned.

Q. Where was that?—A. We left Ottawa—

Q. Did Mr. H. J. Daly who, I understand, died this morning, state to you on that occasion that the bank was about to fail?—A. No.

Mr. Gordon had no evidence from any one that the bank was about to fail; he had picked up the information casually, as he says in another place, from lawyers whom he had talked with on the train and from other people that the Home Bank was one of those banks that would likely need nursing or help to keep it going.

Mr. CANNON: In order to follow my hon. friend's argument rightly, may I ask him this question: Does he contend, even assuming that the reason for the withdrawal was the conversation between Mr. Gordon and Mr. Murdock of that date, that in view of the fact that Mr. Gordon went to Mr. Murdock to see him in his capacity of a minister of the Crown the minister violated his obligations by acting on that information?

Mr. PORTER: Perhaps I could answer my hon. friend's question best by putting another. Does anybody believe that, sitting in his office as Minister of Labour, and discussing a matter of official business, as the minister himself put it, with Mr. Gordon, it would be possible that the minister could hear with one ear only what appertained to official business, and with the other ear only what applied to the Home Bank, and keep each separate and distinct so that one would not influence his conduct more than the other?

Mr. CANNON: My hon. friend put a question to me?

Mr. PORTER: You have asked the question. There is no use in pursuing it.

Mr. CANNON: I do not want to interrupt my hon. friend—

Mr. PORTER: Then wait till I am through.

Mr. CANNON:—but I understood my hon. friend put a question to me.

Mr. PORTER: It is not possible, to my mind, for an hon. minister of the Crown to be James Murdock at one moment, in one part of the conversation, and to be the Minister of Labour in the other; it is impossible for him to entirely dissociate himself from one character or the other on the spur of the moment just as he might see fit to do. That, Mr. Speaker, is not possible. The rule goes this far, and it has been cited over and over again: It is if he gets information as a minister of the Crown; and he was acting there, with Mr. Gordon present, as a minister of the Crown, on official business, and he got information in that conversation. He is there well within the rule, and if that was the only defence that he was setting up, that he got his information from Mr. Gordon, there would be ample and sufficient in that to have him convicted of what I have charged him with, namely, of making use of information that he received as a cabinet minister to his own advantage. In the exact words in which I have charged him, it has been admitted and proved by both Mr. Gordon and the minister that he got that information on that occasion.

Now, the oath goes considerably further than the chairman of the committee would have the House understand. In the very first clause of the oath I read:

> You will serve His Majesty truly and faithfully in the Place of His Council in this His Majesty's Dominion of Canada, you will keep close and secret all such matters as shall be treated, debated and resolved on in Privy Council, without publishing or disclosing the same or any part thereof, by Word, Writing, or any otherwise—

It is not necessary for the Minister of Labour to use words in order to violate his oath. It is not necessary for him to disclose these matters in writing, but if his acts and conduct, as have been shown in this case, disclose the fact that he got his information in that way, and acted upon it, it is just as much a violation of his oath of office as if he had disclosed it by word or by writing. He must not do it in "any otherwise", and I submit that after I have dealt with the offence more fully, this House will come to the conclusion—it cannot well come to any other conclusion—that by his acts and by his conduct, apart altogether from anything he has said, he has disclosed the source of his information, and that he has acted upon that information.

It is singular and worthy of remark that after all the attempts at defence that the hon. minister made on the various occasions in the House and committee, he never mentioned, and the committee never heard, of a conversation with Mr. Gordon, the Deputy Speaker, or of the minister acting upon any conversation with him, until the morning after Mr. Daly, the man from Toronto, died. You could not call Mr. Daly. It never was mentioned before, but the next morning after Mr. Daly was dead this evidence was given. It is rather a remarkable feature, to say the least.

Now then, let me come down to the question of the facts, and I want the House to see that the question of fact is proven, as I have said before, right up to the hilt. At the risk of being somewhat tedious, I shall have to take the members of the committee through the various stages, but I shall do it as hurriedly as I can. If hon. members will look at Hansard of May 22nd, they will see what these statements of fact were.

Fact No. 1. That the Home Bank on the 14th day of August, 1923 held a meeting of its directors in Toronto, when it was made evident that the bank must fail unless it received assistance, and this position apparently was known for some time before.

Now if hon. gentlemen will refer to the evidence that was given in this case, they will find on pages 33, 34, 47, 48, 49, and on following pages, that the directors, Mr. Stewart, Mr. Gough, and Mr. Wood all three of them, swore positively and distinctly that on the 10th of August and for some days prior to their visit to Ottawa they knew the condition of the bank. They knew that it had to have help or it would go to the wall, and they had received a written report to that effect, advising them to bring the matter before the government. That is fact No. 1. Now can anybody say that that fact is not proven? I need not argue that further.

Fact No. 2. On the same day, about ten or eleven o'clock at night, certain directors of the Home Bank having proceeded to Ottawa by order of its directorate, to consult the government with regard to obtaining assistance, one or more of the directors met the Prime Minister (Mr. Mackenzie King), the Acting Minister of Finance (Mr. Robb) and other members of the cabinet at the

Prime Minister's house, when the disclosure of the bank's affairs was made in such a manner and to such a fearful purpose as to leave the Prime Minister aghast, and under the impression that if demands were made upon the bank within the next few days the bank could not meet them; and assistance was positively and absolutely refused—on which date the government became fully aware of the serious financial condition of the bank, and on that date the members of the government became aware by the statement of the directors themselves as to what the financial condition of the bank was. There was no pleading want of knowledge after that.

I need only add that that statement of fact is entirely borne out by the evidence of the Prime Minister himself. I can read his evidence, if anybody desires it read. In his evidence the Prime Minister stated that, by arrangement made with the Minister of Railways (Mr. Graham), he met Mr. Stewart, the bank director, with the hon. Minister of Railways and the Acting Minister of Finance (Mr. Robb) at the Prime Minister's house, and there they discussed the affairs of the bank, and to use the Prime Minister's own words, the disclosure "left him aghast," and under the impression that if demands were made upon the bank within the next day or two it must fail. Now is that fact proven? I undertook to prove fact No. 2. Can anybody say that it has not been proven—for that is what somebody must say in order to arrive at what they are asked to arrive at here.

(3) On the following day, the 15th of August, the cabinet held a meeting having all this knowledge before it, which was doubtless fully discussed. I do not think I need even to state that undoubtedly such an important matter as this would be fully discussed. That the cabinet meeting was held there is no doubt whatever. It is sworn to by the Prime Minister himself, sworn to by Mr. Graham, sworn to by Mr. Robb, and is admitted by Mr. Murdock himself. Now, there is the fact proven, as I said before, right up to the hilt.

(4) Not obtaining assistance from the government the directors and the Acting Minister of Finance proceeded to Montreal on the evening of the same day, the 15th August, and consulted financial interests there for the purpose of obtaining help. The interests consulted in Montreal could not give answer until the following morning, the 16th of August, and when they did so, no help being forthcoming, the directors returned to Toronto, and I presume the Acting Minister of Finance returned to Ottawa. Is there any controversy about that?

[Mr. Porter.]

Mr. MACKENZIE KING: In the inference which my hon. friend is seeking to draw, does he allege that the cabinet meeting was the result of the meeting held at my house the night before or in any way related to it?

Mr. PORTER: I stated earlier in my speech that I intended to confine myself solely to matters of fact first and to state the inferences that I thought I was warranted in drawing from them last. Fact number 4 has been proven by the directors and by Hon. Mr. Robb himself. I need not go any further than that.

(5) The next day, the 17th of August, the bank failed and closed its doors, and I need only mention the sickening trail of suffering, poverty, hardship and alleged crime left in its wake.

That has been proven by the statements of the Minister of Finance, Mr. Clarkson, the liquidator, the directors and others. The fact is well known, too well known to be questioned for one moment. The evidence shows beyond any question that from 17th August the bank was insolvent, and it was sworn in evidence by the liquidator that 80,000 depositors and 16,000 shareholders were the sufferers from this condition of affairs.

(6) The Hon. James Murdock had a deposit in the Home Bank, Ottawa branch, savings account, of several thousand dollars from about the 1st July, 1923, to the 15th August, 1923, the day of the cabinet meeting at which the financial condition of the Home Bank was fully known and doubtless was discussed, and on the same day and very shortly after the cabinet meeting adjourned, and just before the close of banking hours, the Hon. James Murdock withdrew from his deposit in the Home Bank, Ottawa, having knowledge as such minister of its financial condition, thousands of dollars, and leaving only a small sum remaining to his credit, and from which he made further withdrawal, leaving only the infinitesimal sum of $89 there when the bank failed.

This was proved, except only as to the matter of knowledge. I may say that I am reserving the question of knowledge for the last of my argument. I intend to take that up separately, so that the House will have before it all the evidence, so far as I consider it important, upon that one subject as to the minister's knowledge. In the last paragraph I have dealt with the fact: I want to deal with the minister's knowledge from another source altogether. The fact is proven by the evidence of several witnesses; there is absolutely no evidence from any source to contradict the statement of fact that I have made.

(7) That in making such withdrawal the Hon. James Murdock refused to accept a marked cheque in the usual course of business, and demanded cash or legals for the amount of his withdrawal, and it being near the close of banking hours, the strong box of the bank had to be re-opened to obtain the cash which was paid over to the minister.

What took place was this: The minister went into the bank with his cheque and handed it to the teller. The teller handed it to the ledger keeper who marked it and handed it back to the teller. He was asked after the cheque was marked and was current in any bank if he wanted cash. He said he did. The teller had to get the accountant to go into the vault, open up the cash box, count the money, carry it back to the cashier's cage and hand it over. These are the facts brought out in detail in the evidence.

(8) That immediately after such withdrawal the Hon. James Murdock re-deposited the same cash or legals he had withdrawn into another bank in Ottawa to his credit.

That is not strictly accurate. He did not deposit the money himself. The evidence is that he sent the money by his secretary to the Royal Bank and had it deposited in the name of his secretary in trust.

(9) That on the following day, 16th of August, the same legals withdrawn by the Hon. James Murdock from the Home Bank were returned to it by the Royal Bank through the clearing house at Ottawa.

That is proven absolutely by the testimony of the teller of the Royal Bank; there is no contradiction to that.

(10) That the Hon. James Murdock did not use the said withdrawal at that time for any purpose, but deposited it in another bank.

His own evidence covers that point exactly. He did not use the $4,050 immediately but left it in the bank until the 1st October.

(11) That thousands of depositors in the Home Bank lost their deposits, entailing poverty, hardship and ruin. Many of them lost all they had in the world.

This statement has been fully established by Mr. Clarkson, the liquidator, who has shown the hardship suffered and the losses sustained by 80,000 depositors and 16,000 shareholders.

The final fact stated by me is that the Minister of Labour saved his deposit. It has been stated that I said he made a profit. I do not see that there is any difference between saving his deposit from an absolute loss and making a profit. I made the charge in the following words:

> The Hon. James Murdock saved his deposit, thus profiting to the extent of thousands of dollars by making use of knowledge confidentially obtained as a minister of the Crown, through the means aforesaid; and in breach of his obligation as a minister of the Crown, and in violation of the honour, dignity and traditions of parliament.

I ask in all fairness, is there a member of this House who can say that one single fact that I stated when presenting the case to this House has not been proven right up to the hilt? Did this House not say by its action in granting me the inquiry "If you can prove these facts a wrong has been done, and the facts should be investigated." Those facts have been investigated. Have I drawn the right conclusion and the right inference from those facts?

I want to put the matter in a logical and succinct manner so that members can follow it easily, and see whether the conclusion I have drawn is a fair one or not. Where did the minister get the information upon which he acted? It does not signify whether he got his information from one source or another, unless he acted upon that information. That is the gravamen of the offence. It is no offence for him to receive the information but if he acted upon that information he committed a wrong. Where did he get the information upon which he acted? I will present the facts which I have proven and if any hon. member of this House will say the facts I have stated have not been proven, I will be glad to have him say so. I am going to assume these facts are proven, and I court any interruption if any hon. member will state that any one of those facts has not been proven. Here is the first fact: The directors of the Home Bank were aware on the 14th of August, 1923, that the bank was insolvent. That was proven by Messrs. Stewart, Gough and Wood, three of the directors. I was prevented from proving the records of the Home Bank. The committee would not allow those records to be put in evidence, but the fact was proven outside.

The second fact is that three directors of the Home Bank were directed by the board of directors to go to Ottawa to see the government. I have underscored those words "to see the government," and to prove that they did go to see the government. I refer hon. members to the evidence of the Prime Minister. He said in his evidence that they came to see him as representing the government, although the chairman of the committee and some hon. members would not have it that way. They wanted to put it that the directors came to see him simply as a cabinet minister and not as representative of the government, and it appears both ways in the

evidence the reason being no doubt that if they came to see the Prime Minister simply in his capacity as minister and not actually in cabinet there would be more liberty than there would be if they saw him as a representative of the government. But they came to see the government as the Prime Minister stated, on the night of August 14, 1923. Mr. Stewart came to Ottawa, and by arrangement made by the Minister of Railways (Mr. Graham) met the Prime Minister, the Acting Minister of Finance, and the Deputy Minister of Finance, Mr. Saunders, at the Prime Minister's home, when a disclosure of the condition of the Home Bank was made. These facts will be found stated at page 40 of the evidence. Hon. members will note that when the matter was discussed at the Prime Minister's house, three of the ministers of the Crown had practically all the information that was necessary to advise them of the condition of the Home Bank at that time. At that meeting it was arranged, on account of the fact that Mr. Gough and Mr. Casey Wood, two of the directors were coming down that night with a more detailed written statement of the condition of the Home Bank, that they were to meet Mr. Wood the following morning. Now there is no getting away from that fact.

Mr. MACKENZIE KING: Did I understand the hon. member to say that the three ministers who met Mr. Stewart were to meet Mr. Wood?

Mr. PORTER: No, I meant Mr. Robb. They were to meet Mr. Robb, but Mr. Robb came to the hotel in the morning before they had an opportunity to meet him. That was the point I was coming to. They were to get a more elaborate and detailed statement in writing from the directors, Gough and Wood on the following morning. The cabinet meeting was called for the following morning, the 15th. Before the cabinet met and before going to the cabinet meeting, the Acting Minister of Finance went to the hotel where Messrs. Stewart, Wood and Gough were staying, and there he got, as Mr. Stewart swore, the detailed statement in writing of the affairs of the Home Bank. Then he left Messrs. Stewart, Wood and Gough and attended the cabinet meeting.

Mr. ROBB: May I correct my hon. friend to this extent, that Messrs. Wood, Gough and Stewart came to my room at the hotel where I was living.

Mr. PORTER: I accept the correction. I think it is immaterial; nothing turns upon it.

[Mr. Porter.]

Mr. ROBB: No, but I want to make it clear.

Mr. PORTER: The point is that Mr. Stewart says that the following morning the Acting Minister of Finance was good enough to come to their room.

Mr. ROBB: No, he did not say anything of the kind.

Mr. PORTER: He may be mistaken. That is the way he puts it. He says the Hon. Mr. Robb was good enough to come to his room and make the statement.

Mr. ROBB: Let us have the evidence where Mr. Stewart made that statement.

Mr. PORTER: Page 41 of the evidence. He was cross-examined by myself as follows:

Q. What was done there?—A. A word might straighten this out, Mr. Porter. My visit on the Tuesday night was really for the purpose of arranging for an interview with some member of the government on the following morning when Mr. Wood and Mr. Gough would be there. On the following morning you refer to now, Mr. Robb was good enough to come to my room at the hotel with the deputy minister, and there met in conference myself, Mr. Gough and Mr. Wood.

Q. What was the object of the meeting?—A. To give to Mr. Robb in more detail information that the other directors brought down with them that night.

Q. Was that done?—A. Yes sir.

Mr. ROBB: My recollection is that Mr. Stewart is wrong. He came to my room. That is not material, however.

Mr. PORTER: No. The fact is that the Acting Minister of Finance got the detailed information in writing of the condition of the Home Bank at that time. We have this situation. We have the Prime Minister calling a cabinet meeting and he was present himself. We have the Minister of Railways and Canals at the meeting. He swore so himself. The Acting Minister of Finance was at the meeting, for he swore so himself. The Minister of Labour was there, for he swore so himself. Although the chairman was most assiduous in trying to keep from the committee the fact as to who was at the cabinet meeting, each one of those four ministers, in contradiction to the chairman's ruling, swore that he was present.

Mr. MACKENZIE KING: May I correct my hon. friend at that point? To show the kind of inference that he is trying to leave, may I say that my hon. friend has just used the expression: "You have the Prime Minister calling a cabinet meeting." In other words, he tries to leave the inference that the meet-

ing of the cabinet held on the morning of August 15 was a meeting called in consequence of the interview at my house the night before.

Mr. PORTER: No.

Mr. MACKENZIE KING: My hon. friend's words are plain. He says, "You have the Prime Minister calling a cabinet meeting." I wish to make plain to the House that the cabinet was in session the day before, the morning of the day on which Mr. Stewart arrived and had an interview at my house. This was during the summer. We had held a series of meetings; we had not concluded the business of the cabinet on that day, and we continued the business on the day following. The meeting held the day following had nothing whatever to do with the conference held the night before.

Mr. PORTER: I am quite willing to accept the statement of the Prime Minister. It is of no importance why the meeting was called. The important fact is that there was a meeting of the cabinet on the 15th August. The Prime Minister, with all the knowledge he had, was there; the Minister of Railways and Canals with all the knowledge he had, was there; the Acting Minister of Finance was there with all the information he had of the night before and with the written detailed report in his pocket, and the Minister of Labour was there. Those are the facts that I wish to bring to the attention of the House. Let us see what each one of these cabinet ministers said in reference to that meeting, and let me turn first to the evidence of the Prime Minister which will be found beginning on page 91. A number of questions were asked in regard to the importance of the matter. He was asked as to the meeting as reported on page 93:

By Mr. Porter:

Q. Then at the very bottom of the page (reading): "Q. It was of such enormous proportions. . . .

That is the condition of the bank.

. . . . that it appalled you at the time?—A. If it had been of small proportions, having been told what I had been told about the condition of the bank, I would have felt the government would not be justified in using public funds for purposes of that kind."

At the middle of page 94;

Q. "And that the government."—A. (Reading). "—and that the government was being asked to make a deposit of public funds to meet a situation of that kind."

I did not consider the amount, I looked at the principle of it and considered it was impossible to entertain any idea of any amount large or small. I think it is important to make that clear, because the amount that was asked for, I do not recollect at all; what did impress me was the circumstances that we should be asked to put in any amount.

Q. I take it from your answers as a whole, which I have read and which you have read, that the disclosure which was made to you at that time was of such a serious and important nature, or was of such an important nature that you would naturally desire to consult with your colleagues about it?—A. Yes.

Q. You would not feel justified in withholding that from the cabinet?—A. I felt that Mr. Stewart had spoken to me as a member of the government.

Q. And you would not feel that you were doing your duty in not disclosing that to your cabinet? —A. I should certainly wish to confer with my colleagues about it, yes.

There is a statement of the Prime Minister with the information all in his possession of such grave and serious importance that he would want to consult his colleagues about the matter, that he would not feel justified in withholding it from them, and he goes to council on the morning of the 15th with all that in mind. Could I ask you to believe that the Prime Minister was so derelict in his duty that he did not bring that matter before his colleagues? His oath of office compelled him to bring that matter before them if he believed that it was a matter that should be brought before them. Do you think he violated his oath? I do not believe it. I refuse to believe such a thing as that. He says that he would feel derelict in his duty if he did not bring it before them; that it was a matter of such transcendent importance that he could not keep it from them. Do the people of this country want to believe that the Prime Minister, the head of this government, is a man of that character that he would keep such a matter away from his colleagues? Not only had he the facts only the night before, but his colleague, the Acting Minister of Finance had the written documents in his pocket. He took them right from the directors at the hotel to the cabinet meeting. Is it possible that the Acting Minister of Finance would sit still with those documents in his pocket which, he says, he got the following morning, that is the 15th and not bring the matter to the attention of the Prime Minister and his colleagues? Is it believable? Not only that, but the Minister of Labour was there himself. If the Prime Minister, the Minister of Railways and Canals, the Acting Minister of Finance all desired to consult with their colleagues, as they swore they did with whom would they consult? There is no evidence that anybody else was present but the Minister of Labour. With whom would they consult? Mark the significance of this. He had word from the Deputy Speaker (Mr. Gordon) on August 9 and he went to sleep thereafter and

slumbered soundly and comfortably, never waking up until August 15. Where was he on August 15? There is not a single word or tittle of evidence throughout the whole inquiry that he was anywhere else than at cabinet council. There is not a word of evidence that he met and discussed the subject with anyone else. I say, there is not a word of evidence to that effect and I defy any hon. member to indicate anything of the kind. So there you are. After this peaceful slumber from August 9 to August 15, the Minister of Labour woke up very suddenly. What disturbed his rest? Look at his evidence at page 77. First of all the evidence deals with the facts which the minister got from the Deputy Speaker. It proceeds:

Q. I understand, Mr. Murdock, that you said you received that information on the 9th of August?—A. Yes, the 9th of August.

Q. And you allowed from the 9th of August till the 15th of August to elapse before taking any action in regard to the withdrawal?—A. I did not withdraw between those dates. . . .

Q. But it was so important on the 15th—

That was the day of the cabinet meeting, remember.

Q. But it was so important on the 15th that you thought you could not leave it any longer?—A. There were other circumstances that brought the matter to a head on the 15th, yes.

Let hon. gentlemen ask themselves how they can square that. The minister went to sleep on the 9th and never woke up until he was at the cabinet meeting, when circumstances arose that "brought the matter to a head." It had not come to a head before; it could not have two heads; but circumstances occurred then which prompted the minister to action. He had not seen fit to act before, but the matter was brought suddenly to a head then, as he swears himself. And I do not ask the House to believe any one else but him. What did the minister do when the matter did come to a head? He rushed from the cabinet meeting to the bank, the meeting having adjourned at 12.45 p.m.; and before 1 o'clock he had gone down to Sparks street to the Home Bank, had drawn his cheque, passed it in to the teller, the teller had passed it over to the ledgerkeeper, the ledgerkeeper had marked it and handed it back to him, then they had looked up the accountant and there was drawn out of the vault the strong box from which there was counted out $4,000 which was carried to the teller's cage and then handed over to the minister. And all this happened inside of fifteen minutes. A terrible hurry, after the minister had slept from August 9 to August 15.

Now, as a matter of fact, what were the "other circumstances" that induced the minister to withdraw the money? He could have told us in a word if he had dared to do so. He could have told us in a word if it would have helped his case, when he violated his oath to such an extent as to admit that he was at the cabinet meeting. Is there any reasonable conclusion which any fair-minded person can come to other than that the circumstances that moved the minister to action on that occasion had arisen in the cabinet meeting? If they did not occur there where did they occur? I repeat, the minister could have told us, but he has not done so. There is no suggestion of any other place where he could have got the information; and it is the duty of this House—I want to make this perfectly clear—not to decide this matter only upon the sworn word of the witnesses; it is just as important that the House should draw reasonable inference from the facts and the circumstances that have been elicited as it is proper to consider the sworn testimony itself. That is the duty of every hon. member of this House; and how can any hon. gentleman, in the face of the facts that have been sworn to, draw any other reasonable conclusion than that the minister must have got his information at the meeting?

Is it not reasonable to infer that he acted upon that information therein received? Or, if you will, that he acted upon both the information he got at the cabinet meeting and the information he received from the Deputy Speaker? Is it not a fair inference that he acted at any rate upon both and that he has come within the letter of the charge I have made and has violated his obligation as a minister of the crown? Yet, notwithstanding this, the committee has seen fit to declare not proven the facts I alleged in this House on May 22. Dare any man in this House get up and say that one of those facts has not been proven, and point out wherein it is not proven? But not satisfied with that,—and this is the part I regret most of all—not satisfied with having found as a fact, upon the evidence, what the evidence would not warrant for a moment, indeed totally in disregard of the evidence, that the charge was not proven, in their anxiety to whitewash the Minister of Labour, if I may use that term, they have gratuitously gone away and beyond the commission given them by finding as a fact that the charge has been wholly disproved,—a declaration which there is not one single word or tittle of evidence

from start to finish to support. I move seconded by Mr. Stewart (Leeds):

That all the words after the word "the" in the first line be stricken out and the following words be substituted:

committee, having considered the resolution referred to the select standing committee on Privileges and Elections on the 22nd day of May, 1924, as follows:—

"Thursday, May 22, 1924.

Ordered,—That the following:—

Mr. Porter, seconded by Mr. Guthrie, moved, That, E. Guss Porter, member representing the electoral riding of West Hastings, in this House, having declared from his seat in the House that he is credibly informed and that he believes he is able to establish by satisfactory evidence that:—

The Hon. James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit using certain information he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister in derogation of his office and the honour, dignity and traditions of parliament.

be referred to the select standing committee on Privileges and Elections of this House to inquire fully into the said allegation with power to send for persons, papers and records, to examine witnesses under oath or affirmation, and that the said committee do report in full the evidence taken before them and all other procedure on the reference, and the result of their inquiries to this House for such action thereon as this House may determine.

Attest.

W. B. NORTHRUP,
Clerk of the House of Commons."

and having heard the evidence given by all witnesses submitted in support of the charge contained in said resolution and all evidence and statements made in answer thereto, and examined all exhibits filed on such inquiry, beg leave to report as follows:—

(1) That the charges contained in the said resolution have been proven and sustained.

All which is respectfully submitted.

Mr. SPEAKER: The question is on the amendment.

Mr. GERMAN: It is six o'clock, Mr. Speaker.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. W. M. GERMAN (Welland): Mr. Speaker, after what was said by the hon. mover of the report (Mr. Archambault) this afternoon in support of his motion for its adoption, it would hardly seem that very much more is required to be said to convince hon. members that it should receive the support of the House.

The hon. member for West Hastings (Mr. Porter) took an hour and a half in stating a very large number of things with which no person had any quarrel or any dispute. He made some statements, however, which I think I should take the time of the House to correct. When the operations of the committee were over, the hon. member for West Hastings moved the adoption of the report as prepared by himself, and stated that though he had a speech prepared in support of it he did not intend to make it then, but would reserve it for another occasion. So the lesser lights on that committee argued the case on behalf of the hon. gentleman's contention, and I thought to-day, after listening to his remarks, that I could very well understand why he had not made that speech on the former occasion. I believe he felt that it was a speech that would not stand, to use a French expression, being "réchauffé." I believe he felt that after having made it once he could not make it a second time, and I believe that with that every one who heard his remarks this afternoon will pretty consistently agree. He did the best, however, in my opinion, that any one could do in support of a very bad case and of a forlorn hope. He made some statements regarding Mr. Murdock which I believe even he, upon reflection, will feel like retracting. He stated that Mr. Murdock could have made a statement before the committee in the beginning, but did not do so. Now he knows as well as every other member of the committee, and as every one who will read the evidence must know, that Mr. Murdock was in the committee prepared to make his statement when the proceedings of the committee first began, and desired to do so.

Mr. MEIGHEN: But did not say so, nor did anybody else.

Mr. GERMAN: The right hon. gentleman says he did not say so, nor did anyone else. His name, it is true, was not mentioned in express terms. I was at the committee when the hon. member for West Hastings suggested calling a large number of witnesses, whom we thought it was absolutely unnecessary to call because the facts were not in dispute, but were admitted. Mr. Murdock was there and every member of the committee knew he was prepared to make a statement and desired to do so. That went on for a few days until this calling of witnesses to establish something that was not in dispute became rather wearisome to the members of the committee, to the majority of them at any rate. We said "Mr. Murdock is here and he admits all these things; call him." The offer was made that Mr. Murdock should go into the witness box and give his evidence, but the hon. member for West Hastings (Mr. Porter), said "No, I will not consent to that

until I have had fifteen or twenty minutes to consult with my companions." Apparently a consultation was necessary before my hon. friend could decide as to whether or not Mr. Murdock should be allowed to go into the witness box and give his evidence. Later on the minister did give testimony and his statement was a truthful one; it impressed every one who heard it as being true, and I believe that is the opinion of the people throughout the country.

The hon. member made another statement regarding Mr. Murdock which I believe on reflection he will consider should not have been made, and which every member of the committee feels should not have been made —that Mr. Murdock in having the $4,000 deposited in the Royal Bank in the way in which it was deposited was doing something in secret, was trying to cover up the fact that the money was so deposited. The facts are—as stated by Mr. Murdock himself, and by his private secretary, Miss McCool—that this money was in Mr. Murdock's hands in his office. He was engaged with an attorney from Toronto in connection with an injunction proceeding in which the government was interested. He called his secretary and said "Take this money and deposit it in the Royal Bank so that you can draw it; deposit it in the same way that you have always done." She said "I have no power of attorney to draw money out of the Royal Bank." "Very well," he said, waving his hand, "go and deposit it in your name as you have done before:" and the evidence shows she had deposited the money in her name on prior occasions. My right hon. friend (Mr. Meighen) shakes his head as to that. Let me read just what was said and I will make the quotation as short as possible. This is the evidence given by Miss Sadie McCool:

By Mr. German:

Q. I believe you are the private secretary to the Hon. James Murdock?—A. Yes, sir.

Q. On the 15th of August you took $4,000 in money from him to deposit in the Royal Bank?—A. Yes.

Q. It seems you deposited it in your own name in trust?—A. Yes.

Q. Will you explain to the committee why you did that?—A. I came in from lunch and Mr. Murdock called me into his office where he was eating lunch. He had an appointment with a man and he said, "I have not time to go out, will you take this money and deposit it in the Royal Bank so you can draw it like you are drawing on my other account?", and I replied, "I cannot do that without a power of attorney unless I put it in my own name in trust."

Q. What happened then?—A. He said, "All right," and waved his hand, and I went out.

I will now quote the evidence of Mr. Murdock himself. This is his statement:

I will give it in another way. I was sitting in my office with $4,000 in 400 ten-dollar bills in an envelope, which I expected to place in a safe depository. As a legal gentleman from Toronto was waiting to see me in connection with an injunction in which he had been engaged by the government, and this was the only time I could see him—right between the two meetings of the cabinet—I rang the bell and called in my secretary and handed the envelope to her with the money in it, and said, "Go and deposit that money in the Royal Bank so that you can draw on it as you have been doing on the other account."

By Mr. German:

Q. Had she been drawing in other banks?—A. She had a power of attorney since about September, 1922, just before I went overseas to Geneva in 1922.

Q. She had a power of attorney to draw on your account?—A. Yes, and you will notice that eighteen of those cheques out of the twenty are drawn by her.

By the Chairman:

Q. Is that all you wish to say, Mr. Murdock?—A. I think that is all.

By Mr. Hanson:

Q. You did not tell her to put it in her name in trust?—A. I told her to put it in the Royal Bank so she could draw on it as she had been doing before.

Q. The other deposit was in her own name?—A. Yes.

Q. You know now that this was not in your name? —A. I do, and I knew before she went out of the room that this would not be in my own name.

How anyone can attempt to say, in view of that evidence, that Mr. Murdock was trying to keep this matter secret or do anything different from what he had been doing in the past I cannot understand. I cannot even think that my hon. friend (Mr. Porter) has any such idea himself, but being led away, perhaps, by his feelings he said something more than he really intended to say. There was another remark made which I think was equally uncalled for.

Mr. MEIGHEN: Does the hon. member still say that there is evidence to show that other deposits were made in the name of the secretary? He knows that other deposits were not in her name at all.

Mr. GERMAN: All I can do is to call my right hon. friend's attention to what Mr. Murdock says.

Mr. MEIGHEN: The hon. member knows himself that they were not.

Mr. GERMAN: I beg my right hon. friend's pardon?

Mr. MEIGHEN: The hon. member knows himself, it is proven, that the deposit was in the name of Mr. Murdock.

Mr. GERMAN: Is the right hon. gentleman referring to the deposit in the Home Bank?

Mr. MEIGHEN: Yes.

Mr. GERMAN: Certainly the deposit in the Home Bank was in the name of Mr. Murdock, but I am saying that the other deposits were in the name of Miss McCool.

Mr. HANSON: What other deposits? There is no evidence of any.

Mr. GERMAN: I propose to argue this case from the evidence on the record and not from the suppositions of hon. gentlemen opposite. Let me quote again:

Q. You did not tell her to put it in her name in trust?—A. I told her to put it in the Royal Bank so she could draw on it as she had been doing before.
Q. The other deposit was in her own name?—A. Yes.

That is easy enough to conceive. Mr. Murdock had confidence in his secretary; she had a power of attorney to draw on his account. She went to the Royal Bank and deposited this money in her own name in trust. I am sure hon. gentlemen will not feel that there was anything done in an improper or dishonourable way in that connection.

There is another matter which I think the hon. member for West Hastings referred to this afternoon which did not do him very much credit, and I regret very much that he made the remark. I think he himself will regret it when he comes to consider it. He said that the statement made by the Deputy Speaker of the House (Mr. Gordon) was not made or heard of until after the death of the president of the Home Bank. The remarks he made were as follows:

It is singular and worthy of remark that after all the attempts at defence that the hon. minister made on various occasions in this House and before the committee he never mentioned and the committee never heard of a conversation with Mr. Gordon, the Deputy Speaker, or of the minister acting upon any conversation with him until the morning after Mr. Daly, the man from Toronto, died. You could not call Daly. It never was mentioned before, but the next morning after Mr. Daly was dead this evidence was given. It is rather a remarkable feature, to say the least.

It is a most remarkable thing that a man of the legal standing of the hon. member for West Hastings (Mr. Porter) should draw on his imagination to such an extent as to insinuate against the Deputy Speaker of this House that he would make a statement after the death of Mr. Daly that he would not make during Mr. Daly's life. I think that statement should certainly be retracted.

Now coming down to the concrete facts of the case, what do we find? The hon. member for West Hastings mentioned a number of statements that he had made. He said, "I want to convince hon. members of this House that everything I have said has been absolutely proved". He read a large number of the statements that he made to the House when he first made his allegations and said, "Is this statement not true, is that statement not true, and is the other statement not true"? He might have gone on with a hundred other statements, and everyone would admit they were all true. There was no contention about the fact that there had been a meeting of the directors of the Home Bank and that they declared the bank insolvent. All these statements were admitted, but he has failed to produce any evidence to prove the very crucial point in dispute in this matter. He appears to think that if he can convince the House that he has made a large number of statements which are true consequently the one statement which he made which is not true will be believed, even without evidence. In that I cannot agree with him. He started out to prove one particular statement, but not all the statements he made on the floor of the House when he made his accusation. The allegation which he must establish as true in evidence is this:

The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain information he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister in derogation of his office and the honour, dignity and traditions of parliament.

That is what he has to prove. Every one knows that the bank failed. Every one, or at least most people, knew months before that the bank was likely to fail.

Some hon. MEMBERS: No, no.

Mr. GERMAN: Every one who had his eye on the financial horizon or had any particular knowledge of the banking situation knew for days and weeks previously that the bank was likely to fail. It is true that the Minister of Labour had four thousand dollars odd in that bank and that he drew that money out of the bank. That fact was never disputed and the Minister of Labour admitted it; but it is not true that he drew out that money on account of certain information he had received as a minister of the likely failure of the bank contrary to his obligations. There is no evidence to establish the truth of that statement. What is the evidence and the only evidence? Mr. Stewart came down to Ottawa on the night of the 14th of August. He met the Minister of Railways and Canals (Mr. Graham), the Acting Minister of Finance (Mr. Robb) and the Deputy Minister of Finance, and they went to the home of the Prime Minister. The whole situation was discussed at that time. The next morning

there was a council meeting. The only allegation put forward by the hon. member for West Hastings to sustain his charge that Mr. Murdock obtained improper information, or information on which he should not have acted is that there was a meeting of the cabinet on the Tuesday morning prior to his drawing the money out of the bank, and after the conference at the Prime Minister's house. How does that figure out? At the most that is only a suspicion. There is absolutely no evidence of it. I call attention to this feature, that the hon. member for West Hastings, when making these charges, stated that they could be proved in evidence, but he had at the same time a knowledge of the fact that he could not give any evidence of anything that took place in the council chamber. He was bound to prove his case outside of what took place in the council chamber, because he could not give evidence of that. What happened in the council chamber is a sealed book. You cannot ask a question as to what took place there. It is not a situation where a question may be asked and you may refuse to answer, claiming privilege; but it is not permissible even to ask a question. The occasion is absolutely privileged, and it is harder as against Mr. Murdock than it is against his accusers. They knew they could not give that evidence when the charge was made and that they had to prove their case outside of that evidence, or fail to establish it. Mr. Murdock is tied down by the secrecy of the council chamber.

Let us see how the situation works out. On the night of Tuesday, the 14th of August, these gentlemen, Mr. Stewart, the Minister of Railways, the Acting Minister of Finance and the Deputy Minister of Finance, Mr. Saunders, were at the Prime Minister's house. They talked over the whole situation. In his evidence the Prime Minister declares openly, emphatically and finally: In view of that situation no assistance can be given by the government to the Home Bank, but the Acting Minister of Finance will go with your director to-morrow to Montreal, and if you can work out something there, if he can be of any assistance to you, all right. The hon. member for West Hastings, drawing on his imagination, thinks the inference must be that the Minister of Labour got the information as to the prospective failure of the Home Bank on the morning of the 15th in cabinet council. I say that the indisputable inference is that nothing was said about this matter in cabinet council on the morning of the 15th. Why should anything be said? The Prime Minister had stated emphatically in the presence of the leading ministers: We are not going to give any assistance to the Home Bank.

Mr. PORTER: Why did he swear that he wanted to bring the matter before the cabinet?

Mr. MACKENZIE KING: He did not swear that.

Mr. GERMAN: My hon. friend is absolutely wrong. What the Prime Minister said is this: That was a matter of such importance that I would have to bring it before members of the council.

Mr. PORTER: When?

Mr. GERMAN: At any time after that.

Some hon. MEMBERS: Oh, oh.

Mr. GERMAN: My hon. friends are drawing on their imaginations to find inferences. Are you going to convict a man on an inference? That has never been done yet in this country or in any other country having British institutions. No one knows that better than my hon. friends opposite who are in the legal profession and no one knows better than the hon. member for West Hastings that no man under the British flag was ever convicted on inference or suspicion. There must be evidence leading indisputably to conviction.

Mr. PORTER: Does the hon. member contend for one moment that a man has never been convicted upon circumstantial evidence?

Mr. GERMAN: My hon. friend knows very well that I did not say that, and he also knows that some of the worst criminals in the country have been convicted on circumstantial evidence and have been hanged on circumstantial evidence. It is very often the only evidence that can be established. Not only must there be circumstantial evidence that points to guilt, but there must be no other reasonable conclusion that can be drawn from the circumstances that have been shown. Take this as circumstantial evidence. Can any one say that no other reasonable conclusion can be drawn from the circumstances in this case than a conclusion of guilt? That would be absolutely absurd. I have no hesitation in putting myself in the judgment of the best legal minds of Ontario that if that evidence was submitted to a court and a jury, the judge would immediately withdraw the case from the jury and say to the jury: This is suspicion and suspicion only. You cannot

convict a man on suspicion, no matter how strong that suspicion may be." You can call this strong suspicion if you like, but I am arguing from this point of view. When my hon. friend is talking about drawing an inference, I say that the proper inference to draw from the situation is that nothing was said about the Home Bank in council on the morning of the 15th August, because the Prime Minister on the evening of the 14th had stated emphatically and plainly that the government would not do anything at all about the matter, and the Acting Minister of Finance the next morning at ten o'clock made the statement: I am going to Montreal. There was nothing to talk about. If the Acting Minister of Finance had come back from Montreal with a statement from Sir Vincent Meredith of the Canadian Bankers' Association that probably something could be done, the matter might have been brought up before council and discussed. But prior to that time, I say that the inference is that nothing was said about the matter in council that morning.

You can search from the first page to the last and the only evidence is that Mr. Stewart came to Ottawa; a conference was held in the Prime Minister's house, of which conference Mr. Murdock knew nothing, because Mr. Murdock says in his evidence that he knew nothing about the visit of those directors until long after the visit had been made; the Acting Minister of Finance went to Montreal the next day, and Mr. Murdock at one o'clock the next day drew his money out of the Home Bank and deposited it in the Royal Bank. That is the sole evidence upon which hon. gentlemen opposite ask this House to convict a minister of the Crown of a heinous crime and misdemeanour in this country. No judge would allow such evidence to go to a jury on which to convict him, and this House will reject it, as I am certain the country will reject it when they have an opportunity to speak about the matter.

When the report alleges that there is no evidence to prove these charges, what I have stated confirms that allegation. Evil minds will have evil suspicions. My hon. friends opposite may have evil suspicions. We regret that, but we cannot help it. We hope they will change. But simply because they have a suspicion, let them not run away with the idea that a man is guilty of a crime. What does the Minister of Labour say as reported at page 77 of the evidence:

Q. And after getting information from Mr. Gordon, did you get any further information?—A. No.

This is about the failure of the Home Bank.

Q. You say: "No."—A. "No."

Q. Of any kind or description—or anywhere?—A. Not that would form my opinion in regard to the matter.

Q. It may not have formed your opinion, but did you get any other information?—A. No one else had discussed that matter with me at all.

Q. Had you any better knowledge on the 15th as to the condition of the bank than you had on the 9th?—A. I would say not.

Q. Why did you get in such a hurry on the 15th?—A. Well, I do not know whether it was a question so much of getting in a hurry. . . .

Q. It seems to be. . . .

The Chairman: Let the witness finish his answer.

The Witness: I proceeded to do on the 15th what I intended to do, and no doubt would have done, excepting that I neglected it for several days.

The leader of the opposition (Mr. Meighen) this afternoon rather intimated—at least I took his remarks in that way—that when the Minister of Labour was making these answers, he was making them with a mental reservation as regards what might have taken place in the council chamber. I do not think so. That is another inference. When he answered that question by saying that he got no other information from any source, he did not seem to me as though he was making any mental reservation whatever; I took it that he was excepting no place, not even the council chamber. I thought at the time that the question was objectionable, but it was not objected to and it went through. In my opinon there was no mental reservation on the part of the Minister of Labour in his answer to that question. He further says:

By Mr. Porter:

Q. Just one more question, Mr. Chairman. I think that is all I want to ask for the moment. Mr. Murdock, I want to ask you one further question: Were you aware of the fact that the directors of the Home Bank met certain members of the cabinet at the premier's house?—A. Not until after it came out generally.

Q. When did you first become aware of that?—A. I could not say, Mr. Porter.

Q. You cannot give me approximately the date?—A. No, I am sorry to say I could not.

Q. It was prior to your withdrawal?—A. Withdrawal?

Q. Prior to your withdrawal of the money from the bank?—A. Oh, no.

Q. What? I said it was prior to your withdrawal on the 15th of August?—A. No.

Q. Are you quite certain of that?—A. I feel quite certain of that.

The Minister of Labour not only did not know that these directors were here but he got no information of any sort except that which he received from the Deputy Speaker, according to his own sworn statement. And who among hon. gentlemen who sit in this House is prepared to stand up and say that the Minister of Labour was deliberately lying

when he gave his evidence in that regard? I do not think any hon. gentleman is ready to do that. Everyone thought that the minister gave his evidence in a most truthful manner. Why, the very cheque on which he drew the money was dated August 14, and all that the minister had to do if he wanted to be deceptive was to keep his mouth shut concerning that cheque. He was not asked the question as to when it was drawn but he volunteered himself the information as to its date; and if the statement had gone down in the evidence that the money was drawn on August 14 instead of August 15 it would have answered this charge almost conclusively. But the minister, in his desire to be absolutely frank with the committee, said: "I do not want to be misunderstood; although that cheque is dated the 14th the money was drawn by me on the 15th. I went to the bank and drew the money that day." The minister appeared before the committee with absolutely clean hands and he was perfectly prepared to give a truthful statement in regard to everything that had taken place. He did not desire to conceal nor did he conceal any one particular circumstance in the whole matter. He answered all questions openly and aboveboard and the committee believed, as I am very much inclined to think the hon. gentleman opposite (Mr. Porter) himself believes, that he was telling the truth and was actuated by nothing but the purest motives. There is no evidence against him; there is no truth in the charges. He has spoken and refuted those charges and I say that not only have they not been proved but that they were absolutely disproved.

Let us take the other side of the shield for a moment. When any one stands up and asserts that a minister of the Crown shall not use any information that he has obtained in council for any purposes whatever, even for the protection of his own property, his life or that of his family, I must say that this is a proposition from which I dissent entirely. I would not subscribe to any such preposterously inhuman doctrine. Suppose for example a member of the council happened to learn, in council, that a riot would almost certainly take place in the town in which his family resided: would it be improper for him to telegraph his wife and get her and the rest of his family out of the place as quickly as possible? Hon. gentlemen smile; but why should not a man use such information just as he would use information acquired in any other way? Suppose, again, that a minister of the Crown had heard in council any time during the war that a ship leaving Quebec was likely to be torpedoed: would he be acting in any violation of his oath if he took steps to prevent his wife and family from taking passage on that vessel? Shall a minister not use information he has received in council for any purposes whatever? I say, I will not subscribe to any such doctrine.

Miss MACPHAIL: In such a case would not the cabinet minister be perfectly within his right in attempting to save the lives of many others besides his wife and children?

Mr. GERMAN: Most certainly he would, and that is the point I am coming at. I may remark in passing, however, that my hon. friend from Southeast Grey (Miss Macphail), who is getting particularly interested in this matter now, did not take so prominent a part in the whole course of the proceedings in the committee. We did not have the pleasure of hearing her. Now, references have been made to the statements of English statesmen, and with those statements I have not any fault to find. Mr. Asquith for instance has said:

> No minister is justified under any circumstances in using official information that has come to him as a minister for his own private profit or for that of his friends.

With that statement I am in absolute accord. But I should like to remind hon. members that there is a very great difference between that and the question we are now discussing. In that case members of the cabinet, after having received information as cabinet ministers, purchased shares in a company out of which they made thousands of pounds; and there is a clear distinction between that situation and the case of a minister going to a bank and drawing out his own money, to which he has an absolutely perfect right. The Minister of Labour had an absolute right to withdraw his money any minute he saw fit; it was his own money and he had a right to draw it out. And how in the name of all that is intelligent could the Minister of Labour on that day have had any knowledge that the withdrawal of his $4,000 would injure in the slightest degree any other depositors in the bank? No one else thought it would. It was known that the bank was likely to fail; but who would lose in consequence of such a withdrawal? The shareholders would lose, and that is the utmost that any one supposed, the utmost no doubt that the minister himself supposed. It would not appear to anyone that the minister's withdrawing his $4,000 would injure in the slightest degree any other depositors.

Mr. MEIGHEN: Will the hon. member explain why the minister drew out the money?

Mr. GERMAN: He drew it out for the same reason that my hon. friend or I or any one else would draw out a deposit—because he wanted it in a safe institution and did not wish to have it tied up in a bank that might become bankrupt.

Mr. MEIGHEN: If the money of other depositors was safe where it was, the minister's deposit would also be safe and he would not be running any risk.

Mr. GERMAN: That is all right as an ethical proposition. It is mighty easy to be wise after the event, but if my right hon. friend found that his wagon was likely to break down I am sure he would get out before it did break down. I say therefore that there was no reason in the world why the minister should not draw out his money. It was his own money. He is not a legal gentleman like my right hon. friend the leader of the opposition and my hon. friend from West Hastings; they in their superior knowledge—and virtue, perhaps—would not have withdrawn their deposits, but he in his innocence of business matters withdrew his money. Now, even supposing he got the information in council—and I am accepting for the moment the very supposition that he got the information from this source—I would be prepared to stand up and say that he was justified in acting as he did, because the withdrawal of his deposit would not under ordinary circumstances injure other depositors; in this instance the failure of the stockholders injured the depositors. As soon as Mr. Murdock found out there was likely to be injury to other depositors by reason of his action he said, "Very well, I will pay the money back." He made a supreme endeavour to do what he thought was right. He has been criticised by my hon. friend from West Hastings for not paying back the money sooner. Mr. Murdock saw notices in the newspapers, but he said, "I take no stock in newspaper reports." He thought, like most of us, that the reports were merely political tactics, and therefore he paid no attention to them, but when he found that other depositors were likely to be prejudiced, then he, like the honest man he has shown himself throughout these proceedings, said, "Very well, Mr. Clarkson, I will return you the money, although I do not feel that I am legally bound to do so."

Without taking up your time any longer, Mr. Speaker, I submit that the report of the majority of the committee is the report that should be adopted by this House. And I know mighty well that it is the kind of report that will be adopted by 90 per cent of the people of this country.

Mr. SPEAKER: When at six o'clock I read the amendment and translated it, there seemed to me to be something irregular in its drafting. By rule 46, as the House is well aware:

> Whenever the Speaker is of opinion that a motion offered to the House is contrary to the rules and privileges of parliament, he shall apprise the House thereof immediately, before putting the question thereon, and quote the rule or authority applicable to the case.

The amendment recites the reference which was made to the committee on Privileges and Elections, and proceeds as follows:

> That the charges contained in the said resolution have been proven and sustained.

While the section of the report, concurrence in which is asked by the motion of the hon. member for Chambly and Verchères (Mr. Archambault), is in this form:

> That the charge submitted to this committee for investigation, so far as it affects the honour of Mr. Murdock, is not only not proved but entirely disproved.

The rule is that when a report comes from a committee a motion is made by the chairman or by any other member of the committee asking the House to concur in the report, and if objection is taken to the motion by some other hon. member he moves in amendment, that the report be referred back to the committee with instructions to amend the same. In the present instance the hon. member for West Hastings (Mr. Porter) has, in my humble opinion, forgotten that formality. Let me quote from Bourinot, as set out at page 141 of Beauchesne's Parliamentary Rules and Forms, No. 559:

> When the motion is proposed the report may be referred back to the committee for further consideration or with instruction to amend the same in any respect.

The essential part of the report is contained in the section which the hon. member wishes to supersede by his amendment. I find no fault with him in this respect, for it is his right and privilege to ask the House to concur in the views of the minority of the committee. But there is a technicality which must be observed, and I would suggest that in order to live up to the precedents and rules of the House the hon. member alter his amendment to read as follows:

> That all the words after "that" in the first line be stricken out and the following inserted instead thereof:

the second report of the select standing committee on Privileges and Elections be referred back to the said committee with instructions that they have power to amend it by striking out the last three paragraphs thereof and substituting therefor the following:

The last three paragraphs are those to which objection is taken by the hon. member.

and having heard the evidence given by all witnesses submitted in support of the charge contained in said resolution, and all evidence and statements made in answer thereto, and examined all exhibits filed on such inquiry, beg leave to report as follows:—

That the charges contained in said resolution have been proven and sustained.

Of course, the hon. gentleman would have to have leave of the House to amend his own amendment, or another hon. member might move it for him. It is true that 9 p.m. the amendment is merely defective as to form, but it is essential in parliamentary procedure that we should adhere to our forms. Therefore I would ask that the hon. member be allowed to amend his amendment in the way I have suggested.

Mr. PORTER: Mr. Speaker, upon reflection I feel quite satisfied that the course suggested by you is well advised. The intention of my amendment was identical with what you have expressed, but perhaps it was not aptly worded to carry out that intention. I will ask another member to move an amendment in proper form so as to comply with the rules.

Mr. SPEAKER: Perhaps the House might be willing to allow the hon. member to amend his amendment.

Some hon. MEMBERS: No.

Mr. SPEAKER: If there is objection, another member might move the amendment. The amendment moved by the hon. gentleman is out of order, and the question is on the main motion. Of course, it is competent for another hon. member to move an amendment in proper form.

Mr. GRAHAM: May I ask a question, Mr. Speaker? Suppose all the members who have spoken on what was thought to be an amendment ask the right to speak on that which is really an amendment; will they have the privilege?

Mr. SPEAKER: Certainly.

Mr. R. B. HANSON (York-Sunbury): In conformity with your ruling, Mr. Speaker, I beg leave to move:

That the word "adopted" be struck out and the following substituted therefor:

Referred back to the said committee with instructions to amend same in such a way as to report the charge against the Minister of Labour as proved and sustained by the evidence adduced.

[Mr. German.]

As a member of this committee, Mr. Speaker, I desire to make some very brief observations on the subject matter of the resolution and of the amendment thereto. But before doing so, I desire to make one or two comments only on the observations which have fallen from the lips of the hon. member for Welland (Mr. German). I can only say that his contribution to this debate has been quite on a par with his contribution to the argument that took place in the committee, when he constituted himself counsel-in-chief for the defence, and descended in my opinion, to the depths of the police court lawyer. I shall not follow him along that avenue. I desire to approach the consideration of this subject matter in the same spirit that characterized the hon. member for West Hastings (Mr. Porter) when he laid his charge on the floor of this House on the 22nd day of May last, in the same spirit which characterized his conduct of the case throughout the committee, and in the same spirit that characterized his observations made on the floor of this House this afternoon, and I venture to say that no more convincing argument was ever adduced in the House of Commons.

I expressly dissent from those who in the committee and out of the committee, in this House or elsewhere, have taken the view that this was a criminal charge against the Minister of Labour (Mr. Murdock). I have never so conceived it to be; I do not now so conceive it to be; but I do conceive that the charge made against the Minister of Labour was a charge against his personal honour, and a charge against the honour and proprieties of parliament. It is from that standpoint that the subject matter was approached by the hon. member for West Hastings, and dealt with by him in this House and in the committee, and by those associated with him.

Inasmuch as the charge was not a charge of a criminal character, inasmuch as the Minister of Labour was not charged with a breach of any section of the criminal code of this country, I have been of the opinion from the very first that it was incumbent upon the minister to take the first opportunity that could be availed of either to give assent to the statement of fact that was alleged against him or to give it the most unqualified denial; and I say the first opportunity, because his personal honour had been attacked, and because to do otherwise was to create in the minds of the public and of members of this House, the impression that his silence in a matter of personal honour and propriety would lead some people, at all events, to be-

lieve that the charge against him might have been well founded. I believe, further, that it was incumbent upon him at the very earliest opportunity to have stated in language so emphatic that none would be under any misapprehension, just what his attitude and what his position was. But to the utter astonishment of every gentleman who sat in this House when the charges were levelled against the minister on the 22nd of May last, there was not one single word of denial of the specific allegations that were then and there made against him, but there was, if I may so term it, in the words of the old common law, a plea of confession and avoidance. There was a statement to the effect that he had taken the money out of the Home Bank under circumstances, inferentially at all events, such as the member for West Hastings had stated, and there was an avoidance by the plea that he had repaid the money; but unfortunately for the credibility of the hon. gentleman in any subsequent statements that he might make, when he disclosed the correspondence which he had had with the liquidator of the Home Bank, written as a result of a legal demand made upon him for the return of the money, he made one statement the truth of which has been challenged, and challenged from the very beginning, and the untruth of which would lead any sober, sensible man in this House or in this country to take with the very gravest degree of care any subsequent statement the hon. minister might make. I refer to that paragraph in the letter of the minister to the liquidator of the Home Bank, written on the 14th of May last, in which he stated:

> On August 15th last I withdrew from the Home Bank, Ottawa branch, $4,050, and made this withdrawal in the ordinary course of business.

Is there a gentleman within the sound of my voice, is there any man who has followed the evidence in this case, who believes for one minute the statement made in that letter by the Minister of Labour to the curator of the Home Bank? Not only that, it now appears that in a previous statement made by the minister to a newspaper reporter, and which he has not denied, which during the course of the testimony he stated was in effect correct in practically every detail, he said that the money had been withdrawn for the purpose of paying for a house, whereas, as a matter of fact, when placed under oath he admitted, and had to admit it because all the record is the other way, that he had withdrawn the money on the 15th of August for the purposes of safety, and safety only.

Now, Mr. Speaker, I have some observations to make as to the manner in which this investigation was carried on. I have not been a member of this House very long, and I have not had very much experience in the political arena, but I had had some political ideals and some ideals with respect to parliamentary practice and procedure, and what should be done on certain occasions, and it had occurred to my simple mind that when a charge was made specifically against the honour of an individual, which per se had no political significance, the investigation of that charge would be surrounded with all the sanctity of a judicial procedure. I was not originally a member of the committee in question, and was only appointed to relieve some gentleman who had to be absent from the House of Commons. But I attended all the meetings of the committee, save and except the organization meeting, and I wish to say, without fear of successful contradiction, that from beginning to end the atmosphere of the committee was charged, and charged as with electricity, with partisanship of the most blatant character.

Some hon. MEMBERS: Oh, oh.

Mr. CANNON: I rise to a point of order. I do not think any member in this House should describe the conduct of the committee in the way the hon. gentleman is doing now.

Mr. HANSON: I do not say anything about the conduct of the committee. I do say that the atmosphere of the committee was charged with partisanship. If the expression is unparliamentary I desire to withdraw it.

Mr. SPEAKER: I do not think a charge of partisanship gives rise to a question of privilege.

Mr. GRAHAM: The hon. member was speaking for his own party.

Mr. CANNON: He was speaking for himself.

Mr. HANSON: I am not speaking particularly for myself but if it were necessary I could easily mention names. However, it is not necessary to go that far; the hon. member for Dorchester (Mr. Cannon) will know exactly what I mean—

Mr. CANNON: I was sitting next to the hon. member.

Mr. HANSON: —and if he desires to recall the circumstance all he has to do is to read the records. On the whole, I am glad to be able to say, after the first session

or two of the committee better counsels prevailed. One or two of the cabinet ministers were absent after the first session or two, and a better feeling prevailed in the committee. It seemed to me as a newcomer in this House, as a new member of the committee, as one lacking in parliamentary experience, that after those old and trained warriors had left the scene we made better and fairer progress. Nevertheless, no one will say with any seriousness that the committee was conducted with that judicial decorum necessary in the premises, because certain gentlemen constituted themselves defenders of the faith, while others of us who had had no experience sat by contributing a word from time to time only. It is true that the hon. member for West Hastings conducted his own case, and he did so in a manner which reflected great credit upon him.

With regard to the rulings of the chairman I have criticism to make of one ruling and I do this with considerable hesitancy because of the strong position he took at the time. That was the ruling with respect to the rejection of questions—not only their rejection but even the right to put them—as to who were present on a certain privileged occasion. In passing let me say that in his remarks this afternoon the hon. member who was the chairman of the committee read a passage from the report which indicated that I had adhered to the view—in making the few remarks which I did to the committee—that not only was a certain occasion privileged but the fact as to who were present on that occasion was a matter of privilege also. I am surprised to have been so reported, but those who were present at the committee at the time referred to will recall that an appeal was taken from the decision of the chair and that I supported those who made the appeal. I want to make this correction as complete as possible and have the correction appear as a matter of record. While I always recognize—and while I recognize to-day—that any communication passing between cabinet ministers in council is privileged the fact that there is an occasion, which might be regarded as privileged is not to be accepted of itself as an evidence that it should be so considered. The fact that a certain gentleman was or was not in attendance has never yet been the subject of a judicial decision on the lines laid down by the chairman. It is true that some observations of Mr. Justice McKeown were read which would seem to support that view, but I venture the assertion that no legal gentleman present who has anything to do with this class of jurisprudence, on reflection, will assent for a moment to a proposition such as that laid down by the chairman. I have no further cause to complain of the conduct of the chairman save and except as to that one decision which he gave.

Mr. ARCHAMBAULT: Does my hon. friend mean to say that the ruling of Mr. Justice McKeown was not a ruling on exactly the same point?

Mr. HANSON: If it were I would just as emphatically dissent from his ruling as I did from yours.

Mr. ARCHAMBAULT: I would rather follow the ruling of Mr. Justice McKeown than yours.

Mr. HANSON: That may be true but it does not alter the circumstances.

Mr. MEIGHEN: It is a prefectly absurd ruling.

Mr. HANSON: I suggest with all respect to the hon. gentlemen, that he himself does not believe in the ruling.

Mr. MEIGHEN: Hear, hear.

Mr. HANSON: The ruling in fact is grotesque.

Mr. MEIGHEN: Hear, hear.

Mr. HANSON: So grotesque in fact that the gentleman against whom the charges were levelled, on reflection, did what he conceived the proper thing to do and, despite the efforts—the misguided efforts—of some of his friends, frankly revealed to the committee that he himself was present on the alleged privileged occasion in question.

Mr. CANNON: Does my hon. friend contend that the conduct of the Hon. Mr. Murdock governs the law in the matter?

Mr. HANSON: No, I do not contend that for a moment, and the hon. member should not ask such a foolish question.

Mr. CANNON: I am not calling the hon. gentleman to order; I suppose that is his natural way of expressing himself.

Mr. HANSON: Now, Mr. Speaker, I stated a little while ago that this being a charge against the personal honour of the minister himself it was incumbent upon him, at the earliest possible moment, to have made either a distinct denial of the gravamen of the charge itself, or to have stated all such circumstances as would have satisfactorily explained the situation and the allegations. Did the minister avail himself of that oppor-

tunity? I have already adverted to what took place here on the 22nd May last, and referring to the statement made a few minutes ago by the hon. member for Welland (Mr. German) that the minister, at the first meeting of the committee, was ready to make a statement, I may say that I myself was present and observed pretty accurately everything that went on. If the minister had any such intention as that now disclosed to us, all I can say is that he most skilfully refrained from showing his intention and it was not until the hon. member for West Hastings had methodically, logically and step by step, built up the case which he has outlined in his opening remarks on the 22nd of May that the Minister of Labour came forward through his friends, and offered to make a statement.

What was his statement? It is true a very large number of the questions of fact involved in this matter are not in dispute, because the member for West Hastings had the evidence available from independent, reliable sources to place them beyond the pale of dispute. But as to the question of the intent of the minister, which is a very important element in the whole matter, the facts were not so evident. Approaching the crucial point in the whole matter, let us ask ourselves this question: What was the immediate cause of the effect upon the mind of the minister that induced him to withdraw his money? Two views may be taken in regard to this matter. There is the inference that naturally follows from the mere statement of the facts and the circumstances that the minister, being present at the cabinet council on the 15th day of August, went directly from the meeting of the council to the Home Bank and withdrew his money. There is the other view that he obtained whatever information he had and whatever information he acted upon by reason of a conversation held in this city on the 9th of August with the Deputy Speaker. I do not care which view you take. I say whatever view you take, whatever communication reached the minister reached him in his capacity as a minister of the Crown. Why did the Deputy Speaker go to see the Minister of Labour? He went to see him on official business, and in the course of a conversation on official business he mentioned casually the course of parliamentary legislation respecting banking in the preceding session. If anyone doubts the nature of the evidence as to why the Deputy Speaker went to see the minister, all he has to do is to read the statement of the Deputy Speaker that he went there on public business, the business of printing the revised statutes, and he went to the head of the printing department; he went there to see him, not as an individual, not as James Murdock, but as the Minister of Labour in charge of the public printing of this country.

Mr. ARCHAMBAULT: If my hon. friend were convinced that the Minister of Labour acted only upon the advice of the Deputy Speaker on that occasion, would he blame the minister for what he did?

Mr. HANSON: I would still think he was within the purview of the charge, it being not a matter of relevancy, but a matter of the strength of the charge. That would be the only difference there would be between the two positions. But is there anybody in this House or out of it who believes that the action of the minister during the lunch hour on the 15th of August was actuated by anything that was divulged to him by the Deputy Speaker? Is there anybody who will search his heart and his conscience and say that the minister's action in withdrawing his deposit, human though that action may have been, was the result of anything that had been communicated to him on any other occasion than the day in question? It is stated that the member for West Hastings failed to prove that the minister had any information other than that which he received from the Deputy Speaker. I want to make it plain that on at least three different occasions it was open to the Minister of Labour to declare, without the violation of any principle or of any oath, that he had not received any information from cabinet council. He would not be violating this oath if he made that statement. What was to prevent the hon. minister from being frank not only with the committee but with this House, on the 22nd day of May, and stating "I did not, on my honour, receive any intimation in cabinet council with reference to the Home Bank, and I was not actuated in making the withdrawal by any disclosures of any character that were made to me". Surely no hon. gentleman will argue that he was prevented by his oath from negativing anything in that regard. The oath only deals with disclosure and not with non-disclosure. Not only could he have made that statement to this House on the 22nd of May, but he could have made the statement on the two or three different occasions when he was on the stand in the committee under oath. To me it is more than a passing wonder that the minister, surrounded as he was by astute legal gentlemen who left no stone unturned in his defence, who left no stone unturned to advise him—and there were lawyers there by the dozen de-

fending him—never once took us into his confidence and told us he had not received an intimation from the source to which I have alluded. It seems to me, Mr. Speaker, that the action of the minister in leaving cabinet council at fifteen minutes to one, on the afternoon of the fifteenth day of August, and going to the Home Bank and drawing out his money intact, followed absolutely, as the morning sun follows the night, information recently received on the situation such as I have suggested. To draw any other conclusion is, I submit, to do violence to one's own judgment of what would be done in like circumstances by a private individual, if he were not under the ban of trusteeship, such as this minister was.

It is all very well for the minister to say "I had information as to the condition of the Home Bank from the Deputy Speaker". What information had he from the Deputy Speaker? It is true they met in an official capacity, so far as the minister was concerned, but what does he say the Deputy Speaker said to him? Why he frankly states, in his roundabout, redundant style, that his memory would be at fault to tell the committee what the Deputy Speaker said. The only thing he said to the committee was that he gathered from the statement made by the Deputy Speaker that the Home Bank was not a safe depository for his sessional indemnity. If it was not a safe depository for his sessional indemnity on the 9th, I submit it was not safe on the 10th, or on any of the intermediate succeeding days. However, it suddenly became very unsafe on the 15th of August after the cabinet meeting at which the minister was present. I suggest to hon. members of this House in all sincerity that they had better not do violence to the better judgment of the people of this country by resorting to a coat of whitewash on this occasion, because you may say what you like, no man who reads the evidence, who has discussed the situation, will believe anything but that the laws of cause and effect were in force on the 15th day of August, and that the cause of the effect was a communication that was disclosed to the minister and was by no means affected by what transpired on the 9th day of August.

There is one other feature to which I should like to refer. By some specious method of reasoning, by some casuistry or another, one hon. gentleman has sought to show that, because the minister did not positively and affirmatively make a profit for himself but only saved himself from possible or impending loss, therefore, there is a distinction, and that under the authorities, in the one case, he would be to blame and in the other he would not be to blame. Such reasoning as that is beyond me. What I apprehend to be the true position is this: That the minister by reason of his position as such, whether he acquired the information in cabinet council or in his official position in any other manner, did acquire information whereby he attained a privileged position over and to the prejudice of other depositors, and all the illustrations that have been suggested in this House both by the hon. member (Mr. Archambault) who was chairman of the committee, and by the hon. member for Welland, who suggested in effect that the minister would be foolish, that he would have been doing something which would not be a proper thing to do, repugnant to his reason, in fact, if he had not gone out and saved his money, absolutely ignore two considerations. The first is the position of the minister himself; the second, and far more important from the standpoint of the public, is that by his action he obtained and retained for months a privileged position over and above any other depositor. Therefore, his action was to the prejudice of other depositors, and it is not on that principle, if it was on any principle, that the minister must have been induced to return the money.

Just a word with respect to the repayment of the money. One would assume from the remarks of the Prime Minister when this matter was first brought up in this House, that because the money paid over, forsooth, was paid back, therefore no wrong had been committed. I have had a little to do with the administration of the criminal law, and I have seen many a thief, many an embezzler who, when caught with the goods on him, made restitution and, therefore, pleaded that he should be let off.

Mr. MACKENZIE KING: That is an entirely false interpretation to put on my words. I made no such reference at all. I spoke of the minister's high sense of honour, in that when he learned officially that these losses had occurred, he should, without having any legal obligation so to do, have returned the money. I was illustrating the high sense of honour the minister had. I was not talking about restitution.

Mr. HANSON: If that was the impression the Prime Minister wished to convey, he was not very happy in the language he used. I have read the Prime Minister's language and re-read it, and in the question which he asked of the hon. member for West Hastings, and by what he left unsaid more than by what he said, he intimated to the hon. member for West Hastings that, having

heard the statement of the Minister of Labour that he had returned the money, it would not be necessary to go on with the investigation. Only one conclusion can be drawn from that, namely that the Prime Minister himself was of opinion that because the money was paid back, the wrong had been corrected.

Mr. MACKENZIE KING: My words do not bear any such interpretation.

Mr. HANSON: Possibly not, but the Prime Minister's attitude and all the surrounding circumstances led me to believe that at all events.

Mr. MACKENZIE KING: The hon. member may speak for himself.

Mr. ARCHAMBAULT: He is easily led.

Mr. HANSON: It is true that the Minister of Labour repaid the money and I want to know why he repaid it. If the Minister of Labour did not have inside information, then I suggest that, as a matter of law, he did not have to pay the money back. If the Minister of Labour did not obtain the information which he obtained in any other way than that of an outsider, if he had no inside information which would put him in the position of a privileged depositor, then he need not have paid the money back. That is the policy underlying preferences in assignments and in bankruptcy proceedings in this country. The minister did not even contest the legality of the demand that was made upon him.

Mr. ARCHAMBAULT: Yes, he did.

Mr. HANSON: What did he do? Such is not disclosed by any of the proceedings.

Mr. ARCHAMBAULT: Will my hon. friend look at the letter the Minister of Labour sent to Mr. Clarkson?

Mr. HANSON: I have looked at that letter a good many times.

Mr. ARCHAMBAULT: Will he look at it again?

Mr. HANSON: Yes, I will. I say that he did not contest the situation. He says:

> I may say that I do not think I am under any legal obligation to do so.

Mr. ARCHAMBAULT: What is that?

Mr. HANSON: That is what he states in his impression. What I said was that if the minister did not obtain payment of his deposit on a privileged occasion as a privileged depositor, there was no legal liability on him, and he should have contested the demand as a matter of justice and fairness to himself.

Mr. ARCHAMBAULT: We say that there is no legal liability.

Mr. HANSON: That is the first time anybody has suggested that outside of the letter of the minister. The very fact that the minister paid the money back without a contest before the official referee is evidence in the mind of the ordinary public, in the mind of the ordinary man, although it may not be in the mind of a legal gentleman, that he knew his position in retaining the money was untenable.

Mr. ARCHAMBAULT: Did the minister in his letter not state that he remitted the money from an entirely different motive?

Mr. HANSON: I suppose he drew the money out from the same motive—to save the other depositors of the Home Bank from loss?

Mr. ARCHAMBAULT: That is no answer.

Mr. HANSON: All the facts of the case show that the minister was occupying the position of a privileged creditor, a position that was untenable in law. Even had he gone before the official referee with the Deputy Speaker, having regard to the fact that they were communicating, one as a member of parliament looking for something for his newspaper, the other as Minister of Labour charged with the public printing of the country, and even assuming that the Deputy Speaker had some inside information regarding the affairs of the Home Bank, which he had not, then I suggest that a court of law would have found that, even on that occasion, the minister would have received a preference, and it was because he knew that he would be exposed in the courts of this country as having received a preference over and above other depositors that he paid this money back without a struggle. More than that, the evidence of the record is that he was advised by certain of his colleagues to pay back the money, because he had received it under circumstances that he could not justify in a court of law.

I do not desire to say very much more about this matter. I am of the opinion that the statement of fact submitted by the hon. member for West Hastings this afternoon, in cogency, in thoroughness, in continuity of thought, presents what is really an unanswer-

able case, so convincing that in the mind of any disinterested jury in this country there would be but one opinion. I have no hope however that I shall be able, or that what the hon. member for West Hastings has said will tend, to convince hon. gentlemen opposite. That was very apparent all through the hearings before the committee and it has been apparent here to-day. I want to say to hon. gentlemen opposite however that there is a great tribunal before which this case will be tried, the tribunal of public opinion in this country, and it may come sooner than some hon. gentlemen think. Let me say to the Prime Minister that he will be doing no greater service politically to gentlemen on this side of the House than if he retains the Minister of Labour in his government, for he will have to defend him on every platform from Vancouver to Halifax. The Prime Minister will have to defend his colleague on every platform and I wish him much joy in the effort. I see no better political strategy, if you want to put the matter on that plane, more favourable to gentlemen on this side than keeping this government on the defensive with regard to its personnel. God knows it is weak enough and it cannot smell much worse by the retention of the Minister of Labour.

Some hon. MEMBER: Order.

Mr. MACKENZIE KING: I am glad I have not to defend my hon. friend.

Miss AGNES C. MACPHAIL (Southeast Grey): As a member of the select standing committee on Privileges and Elections I voted against the finding of the committee, that the charge submitted to the committee for investigation, so far as it affects the honour of the Minister of Labour (Mr. Murdock), is not only not proved but disproved. To me, on the evidence submitted, the charge was neither proved nor disproved; nor could it be, without the vital evidence, withheld by cabinet secrecy, as to whether or not the matter of the Home Bank failure was discussed at the cabinet meeting on August 15. One can think or suspect much, and naturally the question arises as to why the Minister of Labour did not sooner act on the "lame duck" tip given him by the Deputy Speaker of the House of Commons. It is altogether natural to suppose that the chief subject of discussion of the cabinet on the day of August 15 would be the failure of the Home Bank; when a great calamity happens people talk about it a good deal, especially where those who are very much affected by it are gathered together. If I were contemplating what I would do in the same circumstances I should decide that I would never go to a bank and withdraw money a few minutes before mealtime unless the need were very pressing; and if I took the money especially in such a large sum—which I would not have to take anyway—and I intended to deposit it in another bank, I would not in the meantime carry it up to my office and give it to someone else to deposit in my name, but would go directly when I was down town and get the thing off my mind.

If parliament is ever to be able fairly to judge such a case as this all the evidence must be laid before us; that is to say, the awful silence surrounding cabinet discussions must be broken. If at the beginning of the session the Minister of Labour had frankly put himself in the hands of the House I believe he would have been most generously dealt with; he would have been by me at any rate. His evasion has led to suspicion, however. It was a shortsighted policy for a minister of the Crown to withdraw his money no matter where he obtained the information regarding the bank's condition. Such action was sure to react on the minister and upon the government of which he was a member. A public man should in any crisis so act that his conduct will be an inspiration to others and will inspire them with faith and hope in public servants. And that faith and hope are at a dangerously low ebb to-day. People have almost lost confidence in public servants, and the finding of someone not guilty by this committee will not add anything to their trust. But we are told that we can form no judgment on suspicion. And all that I have been supposing is really after all just suspicion. But if we are not to be influenced by suspicion, if suspicion must be set aside entirely and the matter judged purely on the evidence submitted, then, if no further amendment is offered, a group of us will be forced to vote against the amendment that has already been submitted and as well against the report of the committee.

Mr. HANCE J. LOGAN (Cumberland): There is no doubt the members of the official opposition are somewhat angry. The Murdock bubble has burst; the great scandals that were foretold in all their newspapers over four months ago, about four cabinet ministers who were to be driven out of public life, have vanished into thin air, and now they are trying to make a case of the only matter which they have investigated during this long session. My hon. friend from Southeast Grey (Miss

Macphail) is going to vote to drive a fellow member out of public life, simply because he did not get up four months ago and make some kind of statement upon ethereal charges which no one could get hold of; and she is also of the opinion that there is considerable ground for convicting the minister on the strength of suspicion. I am not going to refer to the speech of my hon. and fair friend on this matter any further than to say this to her: I do not blame her, living as she does in the province of Ontario where an ex-provincial treasurer is now on the way to the penitentiary, that she has lost faith in public men in this country. I have not however heard her so far make any condemnatory references to those whom she knows best.

Miss MACPHAIL: I shall be glad to if I have the opportunity.

Mr. LOGAN: My hon. friend, I think, has the opportunity. Now, let us examine the state of mind of hon. gentlemen of the opposition. Let me take for instance my old colleague—I do not say "old" in point of age but from the point of view of parliamentary comradeship—the hon. member for West Hastings (Mr. Porter), who is generally a gentleman of very congenial and jovial disposition. I can hardly believe that the hon. member for West Hastings would refer to any public man, especially a brother member of parliament, in the terms he has used; he declared that what the minister had said was false—and this upon oath, mark you—that certain matters were indecent, that he was dishonest, and that he ran for cover. Surely this cannot be the member for West Hastings! What is the matter after all? Why all this wrath and rage? It is all explained, as I said a moment ago, by the fact that the bubble has burst.

Let us for a moment without prejudice look at the matter calmly. What crime has the minister committed? The crime of which he is guilty in the eyes of hon. members occupying the corner opposite is that he is a man of labour who has risen by his own intelligence and ability, and through the faith of his fellow workmen, to be a cabinet minister in this country. I never expect any sympathy from that party towards a man who has risen from the ranks in that way and who still is a labouring man. But why condemn him at the present time? What heinous crime has he committed? Has he dealt in public offices in this country by endeavouring to get remuneration for transferring a man from one service to another? Has he charged large fees for selling junk to the government of which he is a supporter? Hon. gentlemen strain at a gnat but they swallow a camel. My hon. friend the Minister of Labour—and I am proud to call him my friend—had $4,050 in a bank in this city. It was about all the money he had, and he had a mortgage on his home. He was told by the Deputy Speaker of the House on a certain day that the Home Bank was in bad condition. And the Deputy Speaker was not the only one who knew this; many of us, and I can speak for myself personally, had been able many weeks before to discern that the Home Bank was on its last legs. The Deputy Speaker approached the minister in his office, and in a casual conversation about banks told him this particular bank was in bad shape. And at this juncture, let me say one word which I think is necessary in reference to the Deputy Speaker himself. I was surprised above everything else—and I have heard many surprising things in this House—to hear the hon. member for West Hastings infer that if the Deputy Speaker had not known that Daly was dead he would not have said what Daly had stated. It is not to the hon. gentleman's credit to make such a statement in reference to an hon. member occupying the position which the Deputy Speaker holds in this House, and I am here to speak for the Deputy Speaker who does not take part in the debates. He informed me a few moments ago that when he went into the committee room to give evidence he had not the slightest idea that Mr. Daly had passed from this earthly sphere. What information he got in reference to it he obtained some time during the examination when the hon. member for York-Sunbury (Mr. Hanson) remarked to him, "Don't you know that Daly is dead?" Mr. Gordon replied, "No, I hadn't heard that." Yet we are told to-day that the Deputy Speaker said certain things because he knew that Daly's lips were closed for ever.

Mr. Gordon made a statement to Mr. Murdock on the ninth of August last, a few days passed—days go very quickly in Ottawa, especially in the life of cabinet ministers—and on the coming of the fourteenth Mr. Stewart, a director of the Home Bank, came to Ottawa and, knowing the Minister of Railways (Mr. Graham) as a leading minister from his province, got in touch with him and said he wanted to secure help for the Home Bank; the Minister of Railways telephoned to the Acting Minister of Finance (Mr. Robb); the Acting Minister of Finance sent for the Deputy Minister of Finance, and together they went to the home of the Prime Minister where Mr. Stewart repeated the request; without hesitation the Prime Minister gave an empha-

tic "no"—nothing would be done for the bank as far as putting up a deposit was concerned. It is to the eternal credit of the Prime Minister that he had the backbone to say "no" right there and then. The next day at a quarter to one Mr. Murdock went into the Home Bank and presented his cheque for $4,050 payable to cash—as we all make out our cheques when we are drawing money ourselves—had it marked by the ledgerkeeper in the usual way and proceeded with it to the wicket of the paying teller. He had been seriously alarmed by Mr. Gordon's statement to him regarding the stability of the Home Bank—apart altogether from any argument that may be made as to what took place in council—and drew the money out. A gentleman was waiting for him in his office on a very important matter as he explained to the committee and he rushed there, not even having time to go anywhere for his lunch but having it sent in to his office where he partook of it while he was discussing business with that gentleman. He knew he would not be able to go over to the Royal Bank, so he called in his trusted secretary, the secretary who had paid all his private bills—as most private secretaries do for their ministers. If ministers had to look after their small personal affairs they would have very little time to devote to public affairs. He handed the money to her saying, "Go and deposit that in the Royal Bank in a way so that you can draw on it." She said, "I cannot do that because I have not any power of attorney as I have with respect to your account in the Home Bank." He replied, "Go and deposit the money in trust,"—and waved his hand in a manner suggesting, "deposit it any way at all so you can draw on it to pay my personal bills from time to time." So the secretary deposited the money in the Royal Bank in her own name in trust. That is not at all an uncommon proceeding. There was no crime committed, no indiscretion in taking this course; in fact it was the only way that I know of by which the money could be deposited so she could draw on it without a power of attorney.

We are asked to infer—as a matter of fact the whole argument against the minister is based upon inference—we are asked to infer that after the Prime Minister and the Acting Minister of Finance had said "no," next day in council this one matter of the condition of the Home Bank was discussed. What do they do in council? Is it a debating society? Do they bring up all kinds of gossip? They have, I presume, an agenda in their minds, even if it is not put in writing, and carry on according to that agenda. This was a financial matter, and I have no doubt that in regard to financial affairs the Minister of Finance does not always take his colleagues into his early confidence. But at any rate after it had been decided the night before that nothing was to be done to aid the Home Bank, I submit that the inference may fairly be drawn that there was no discussion of the matter in council that forenoon. But, upon the inference that the matter was discussed we are asked to condemn the Hon. Mr. Murdock.

The hon. member for West Hastings has no reason to complain of the report adopted by this committee. I undertake to say that never in the history of parliament has a man been treated more unfairly than the Hon. James Murdock, for he has been kept out of this chamber since May 22—more than a month—largely to suit the convenience of the hon. member for West Hastings. I would be the last man to object to that, because the hon. member was ill, and I know what that means. But I do not think it is fair for him to say that the widest latitude has not been given him and all the time given that could be reasonably expected to enable him to prove his charge.

10 p.m.

But, Mr. Speaker, may I call your attention and the attention of the hon. member to a few things that he has not proved. It will be remembered how, four months ago, the papers were filled with wonderful stories about "Murdock and the Home Bank." The stories grew bigger and bigger until finally we were told that some kind of timelock had to be forced in order that the Minister of Labour could get at those wonderful things known as "legals." I commend this word particularly to the hon. member for Southeast Grey (Miss Macphail) —"legals." That word has become very common in Ontario during the last few months. Well, when my hon. friend from West Hastings made his charge against the minister he used this language, which will be found in Hansard of May 22, 1924. He said:

—and just before the close of banking hours—

Mysterious time, just before the close of banking hours. It was proved it was in the middle of the day, not just before the close of banking hours at all. It goes on:

That in making such withdrawal the Hon. James Murdock refused to accept, a marked cheque in the usual course of business—

I say, Mr. Speaker, that that is not proved, and that accepting a marked cheque payable

to cash is not done in the usual course of business in this country. No bank in this country will certify to a cheque payable to cash to be presented at another bank. You cannot go to the bank where you keep your money and draw a cheque payable to cash and have the bank certify that cheque. It is a rule of the bank that a cheque shall not be payable to cash if it is to be certified. The minister handed in a cheque payable to cash; he was not asking for anything else. Then the hon. member for West Hastings says that he "demanded"—listen to this:

The Hon. James Murdock demanded cash or legals—

Awful word, "legals."

—for the amount of his withdrawal, and it being near the close of banking hours, the strong box of the bank—

Aha! The strong box of the bank! This is not newspaper language but that of the hon. member for West Hastings.

—had to be re-opened to obtain the cash which was paid over to the minister.

That immediately after such withdrawal the Hon. James Murdock re-deposited the same cash or legals he had withdrawn into another bank in Ottawa to his credit.

That on the following day, 16th of August, the same legals—

He has got away from cash then.

—withdrawn by the Hon. James Murdock from the Home Bank were returned to it by the Royal Bank through the clearing house.

He goes on to say that by his action the Minister of Labour profited to the extent of thousands of dollars. Now, if the hon. gentleman desired to be fair, why did he not state $4,050 as everybody in this country knew that was the amount of the withdrawal? The hon. member pretends to be fair in this matter, but he is just about as fair as a man who would kiss a child and then strangle it. I say this was not fair towards the minister, referring to statements which the hon. member has not proved, and could not prove, and I say to him to-night not only have these charges been disproved, but he owes an apology to this House for making statements which he is not able to prove, and I challenge him now to read the evidence to show where he has proved the charges he made on the 22nd of May.

Mr. PORTER: What charges do you say I did not prove? I used the words "cash" and "legals" synonymously. There is no difference between the two. Cash is legal tender, and cash is legals; I used them synonymously, and in no other sense whatever, and I proved that $4,050 was taken out of the bank in cash.

Mr. LOGAN: On the following day the same bills were returned.

Mr. PORTER: That was proved by the manager of the Royal Bank. The same bundle of bills was taken back.

Mr. LOGAN: The fact of the matter is that the money Mr. Murdock drew out of the Home Bank was in notes of the Home Bank itself. That was proved in this investigation.

Mr. PORTER: What distinction does the hon. member make between them?

Mr. LOGAN: The implication in the original charges was that he was demanding Dominion notes. The fact is the hon. minister did not ask for any kind of notes. He was paid Home Bank notes in the usual way, and we have the evidence before the committee that the next day these were returned through the clearing house.

Mr. MEIGHEN: Does the hon. member say bank notes are not legals to-day?

Mr. LOGAN: I am not saying they are not legals, but the right hon. gentleman knows as well as I do that during the past few months there has been a peculiar notion of what legals are in this country. Legals are supposed to be Dominion notes of $500 and $1,000 denominations. This money was returned the next day to the Home Bank through the clearing house.

Mr. Speaker, it seems to me we might be fair in this matter. Let us remember, in the first place, that Mr. Murdock, when he drew this money, did not intend to deprive anybody of benefit. It was not presumed for a moment then that anybody but the stockholders and shareholders would be mulcted in this matter, and Mr. Murdock drew this money out in the ordinary way, for what purpose? We have had so many cases in this country where there is a real grievance that it does seem to me remarkable that the time of this House is to be taken up in discussing this matter, when after all, if you put the very worst construction upon it, you can only say that his action might have been indiscreet. But here we have been considering this matter week after week before the committee, and if the hon. member for West Hastings had called all the witnesses he desired, we would have been calling them yet; on my motion we at one meeting adjourned for fifteen minutes in order to see if we could not shorten the inquiry and get admissions put in to save the calling of witnesses. Time was saved in that way, but every latitude has been given. Is the hon.

minister, because he wanted to get his all, not merely a fraction of his fortune, to pay upon his home, to be condemned? Oh, what a difference it makes whose ox is gored, and how different the punishment meted out to certain gentlemen in parliament from what is asked to be dealt out to the Hon. Mr. Murdock at the present time!

Someone says he did not need to pay out the money, because he kept it in the Royal Bank until October. He could not pay the mortgage until it was due, and the day the mortgage was due he paid it. He was trying to get money in order that he might be able to pay off the mortgage on his home. I say, Mr. Speaker, this House is too fair and too just to condemn this hon. gentleman upon such evidence as this. As I said a moment ago, if you put the very worst construction upon it, you can only say that he was indiscreet. At the same time I believe the feeling of this country from one end to the other is that there was no criminal intent, no harmful intent, on the part of the minister in this matter. I believe the Hon. James Murdock is an honest man before the bar of public opinion in Canada.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I hope the hon. member for Cumberland (Mr. Logan) will not take it amiss if I say that there are other tasks in this House at which he excels much more than he does in the analysis and the presentation of evidence. I will not review the case in the order in which he has presented it, because really I do not think it was a very good order. Nor will I refer much to his address, save incidentally as I proceed. I do want, though, to make one protest against a position he assumed and a reference he made. We owe the hon. Minister of Labour (Mr. Murdock) fairness, and we owe him justice. In what I say I shall be scrupulously careful as to both and will not make my language as strong as it would be were the minister here. But we owe others the same, and among others to whom justice is due is even the ex-Provincial Treasurer of Ontario. I do not think it becomes an hon. member of this House to refer to a man as on the way to the penitentiary while he is awaiting trial. I am no admirer of the ex-Provincial Treasurer of Ontario but I am not able at the same time to fall down and worship the fairness of an advocate who pleads for the hon. Mr. Murdock in the circumstances in which he is now placed and refers to a man, as yet found guilty of nothing, as on the way to the penitentiary.

[Mr. Logan.]

Mr. LOGAN: I quite recognize that probably the expression, used in the heat of debate, was not a proper one and therefore I desire to withdraw the reference I made to the ex-Provincial Treasurer as being on the way to the penitentiary. I admit with the right hon. gentleman it is hardly fair to make use of such an expression.

Mr. MEIGHEN: I compliment the hon. member on his promptness in this respect. May I refer to another matter though which I was not going to mention: I do not think it was much better to make vague and indeterminate references to other members of this House, without mentioning their names, as having been guilty of offences worse than this and still remaining members. I do not know to whom he refers but I think I do and if I am right—and there is no one else he could have had in mind—those hon. members paid the full penalty of their offences. If the Hon. Mr. Murdock pays an equal penalty, or in the same proportion, for his, nothing more will be asked on this side of the House. I think an explanation or an apology is equally due in respect of those references of the hon. member for Cumberland.

Now I come to just a few preliminary words as to what was said by the hon. member for Welland (Mr. German). He gave us some wonderful samples of argument; I really find difficulty in stating some of the things which he presented under that guise. When he was calling upon the House to be extremely careful before finding the minister guilty, when he wanted to get the House in a cautious mood—one of sympathy to the minister—he then referred to the charge laid as a heinous crime; begged us to go slow before we convicted him of this heinous crime—those were his words. But when he was on the other tack and wanted to minimize the offence in the minds of those who thought it was proved he said "There is really nothing wrong about it at all; he was quite justified even if everything alleged is true."

This sample though is not a bit better than some others. I could not help but smile when he called to his mind the position of the minister. "Imagine," he said, "picturing this minister as doing something when he drew that money that might hurt the other depositors. Why, nothing could have been further from his mind. He had no reason in the world to think that the other depositors would lose any money. Why, all he could ever have to fear was that the stockholders would lose." It never seemed to occur to the hon. member for Welland that if the

minister did not fear the other depositors would lose he need not have feared he would lose himself. But the minister was on oath as declaring that he feared he would lose his money, and that is why he went there. Consequently he feared the other depositors would lose also, and fearing that he nevertheless drew his own money and let the others take the consequences.

But before I leave these real gems of logic I want to read a statement made by the hon. member for Welland before the committee. I marked it; I should like it to be submitted to the delectation of hon. members for a moment. Here it is on page 68 of the proceedings. All through this investigation the member for Welland was exceedingly solicitous about the privileges of cabinet ministers. He argued vigorously that you cannot state anything that took place in council. In the broad sense that is correct. He argued equally vigorously that you could not declare who were there. If you ventured to name anybody who was at council you were breaking your oath; you had not the privilege of refusing to do so or not. He said that a minister was debarred by his oath of office from even telling who went to council. Well, this was about the acme of absurdity unless one excepts the specimen I am about to reveal. The Acting Minister of Finance (Mr. Robb) had been examined, and the member for West Hastings was endeavouring to ascertain at what hour council adjourned on the morning of the 15th of August. The minister had expressed his inability to tell at what hour it adjourned and continued in that attitude notwithstanding the pressure of the hon. member. I now quote from the proceedings:

> Hon Mr. Macdonald: What is the use of arguing with a witness like Mr. Robb?
>
> Mr. German: There is another point which occurs to me. Supposing Mr. Robb makes the statement as to the time he remembers the council to adjourn and some other minister comes in with an entirely different impression as to the time. It would bring the ministers directly in conflict, which is against the very object of their oath that everything is to be kept secret.

Some hon. MEMBERS: Oh, oh.

Mr. FINN: Is there not a clerk of the Privy Council who knows when council adjourns, and is he not the proper officer to give that information?

Mr. MEIGHEN: Yes, there is a clerk and a whole lot more who know, but what does the hon. member think—

Mr. FINN: I do not think, I know.

Mr. MEIGHEN: —of a member of parliament or even any intelligent or semi-intelligent person suggesting that it is a breach of a minister's oath of office to say when council gets through with its work, on the ground that two ministers might speak differently and there would be disclosure of secrets?

Mr. FINN: Does not the right hon. leader of the opposition, as an ex-Prime Minister, know that the clerk of the Privy Council is aware when the cabinet adjourns—

Mr. MEIGHEN: Of course.

Mr. FINN: —rather than the ministers of the Crown who attend cabinet meetings?

Mr. MEIGHEN: Of course the clerk knows, and the reporters outside know, and anybody else can know who wants to. The ridiculous thing is that anybody would suggest that it is a breach of oath to tell.

Mr. FINN: I did not say that.

Mr. MEIGHEN: I know the hon. member never suggested that. The only suggestion I make to him is this: If he has a question to ask I will be willing to answer it. If he has not he can make long enough speeches himself without interjecting still others into my remarks.

Mr. FINN: If there is any gentleman in this House that can make lengthy speeches without saying very much it is the right hon. leader of the opposition.

Mr. MEIGHEN: Now, I desire to come to a review of what is before the House for a decision, a decision as far-reaching in its importance, as impressive in its nature, as any at which this House has ever been called upon to arrive. It is first necessary that we fully understand just where we are placed and what it is we have to decide. We all recall the circumstance of the 22nd of May. We recall the definite allegation advanced in constitutional form against a minister of the Crown by an hon. member of this House. I will read the summation of the allegation and the importance of these words I desire with all deference to impress as forcibly as I can upon hon. members. They have been quoted frequently, but I am unable to make my remarks orderly without inflicting their repetition upon the House once more. The allegation is in the following words:

> The Honourable James Murdock, Minister of Labour, did withdraw from the Home Bank at its Ottawa branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain informa-

tion he had received, as such minister, of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals, contrary to his obligations as such minister in derogation of his office and the honour, dignity and traditions of parliament.

This was the charge made. The precise facts which the hon. gentleman set out to prove are there stated, that the money was withdrawn on this date, that this date was two days before the failure, that the result of the withdrawal was to be of advantage to the minister to the extent of thousands of dollars, and that the money was withdrawn by reason of information received by the Minister of Labour as minister of the Crown. The hon. member for West Hastings said, "These facts I am prepared to prove on my responsibility as a member. I call upon the House to give me a committee, on the assumption therein recited that those facts establish that the minister's conduct was contrary to his obligation as such minister and in derogation of his office and the honour, dignity and traditions of parliament. I submit that the House having passed the resolution took the ground that those facts if they could be established did bring home to the minister that he had acted contrary to his obligations and contrary to the honour, dignity and traditions of parliament

Mr. FINN: May I ask the hon. member a question?

Some hon. MEMBERS: Order, order.

Mr. FINN: I ask the hon. member whether it is not a fact that evidence was given before that committee that the Deputy Speaker of the House of Commons (Mr. Gordon) had been in conversation with the Minister of Labour (Mr. Murdock)?

Some hon. MEMBERS: Order, order.

Mr. FINN: I do not mind hon. members opposite interrupting me, because they want to back up the leader of the opposition. I ask whether or not the Minister of Labour had information—

Some hon. MEMBERS: Order, order.

The ACTING SPEAKER (Mr. Denis, Joliette): Although I suppose the right hon. leader of the opposition is well able to defend himself, I would ask the hon. senior member for Halifax (Mr. Finn) to allow him to proceed.

Mr. FINN: When the hon. member makes assertions that are not correct, surely I have a right to correct him.

[Mr. Meighen.]

Mr. MEIGHEN: I would suggest that some hon. members be delegated to take care of the hon. senior member for Halifax.

Mr. FINN: The only answer I have to make is that the country should be delegated to take care of my hon. friend—to put him where he belongs.

Mr. MEIGHEN: We are past the time for discussion as to whether these acts constitute a violation of the obligations of the office of a minister of the Crown. We have already referred those allegations for investigation, to ascertain whether they are true or not, on the assumption that they do constitute a violation of the obligations of a minister of the Crown, and in derogation of his office and the honour, dignity and traditions of parliament. Consequently it is only wasting time to debate whether or not, providing the facts are true, an offence has been committed. The House has passed on that already. But if it were a matter of argument, is there any hon. member of this House who is going to say, or who believes, whether he will say it or not, that a minister of the Crown can use information obtained as such minister to his own advantage, whether to avoid a loss or to make a profit? I do not say that because a minister hears something in council he therefore never can use it. Nobody suggests that, but if it is something which he receives as a minister of the Crown, which he would not otherwise be entitled to receive, then he cannot use it whether for his profit or to save a loss.

Mr. FINN: He did not.

Mr. MEIGHEN: And the minister receiving this information, being forbidden under the act to make use of it for the purpose and advantage of others, certainly could not make use of it for his own advantage. What I am seeking to impress upon the House is that the whole question is whether the information received was received as a minister, and must be treated as secret information when so received. The point made by the member for Chambly and Verchères (Mr. Archambault) does not come in at all. Certainly if one hears about a ship going down, that is something which he is at perfect liberty to tell his neighbour, his wife or anybody else, but information which he cannot divulge to anybody else, he cannot use for his own advantage. It is an absurd argument to be addressed to the intellects of intelligent people to say that he can use this information to save his own money, to see that he

does not lose anything, but cannot use it to make a profit. I do not really know how to argue a matter of that sort. It does not appeal to one's mind at all. For example, suppose I am in the stock market, and I know that a duty is going to be imposed upon certain goods made by a firm in which I have some stock. I get that information as a minister of the Crown. I am not at liberty to tell anyone else. Would anyone suggest that I am at liberty to go out and buy more stock in that concern, knowing there will be an advance in price the minute the budget is delivered? An hon. member (Mr. Archambault) shakes his head in the negative. Let me put another question. Suppose I am a large stockholder in another concern, and I find that the tariff is going to be taken off the article it manufactures. I receive the information in council, and I know that the minute the budget is delivered, down will go the stock. Am I at liberty to go out and sell my stock so as to avoid a loss?

Mr. FINN: That is never done.

Mr. MEIGHEN: The hon. gentleman (Mr. Archambault) shakes his head in the negative. Certainly I cannot. The moment he shakes his head he admits, and his intellect would compel him to admit, that both these cases are precisely in the same category—the making of a gain and the avoiding of a loss. When one is brought home it has the same effect precisely as the other. The point is that the minister cannot use for his own advantage information he receives as minister. There is no use wandering into other fields. This matter is closed, I think, so far as this point is concerned.

I ask hon. members to note that there is no crime charged, no offence against the criminal code. An offence is charged against the traditions, the honour and the dignity of parliament. The offence charge is a malfeasance in office on the part of a minister of the Crown. What another man can do a minister of the Crown cannot do. The traditions of parliament, his duty to the public, deny him that right. When he goes into a cabinet he takes upon himself an obligation never to use information received there, an obligation to which he does not swear, but one which is as binding upon his conscience as any obligation man ever took upon himself. Therefore, we know the measure of the offence charged. The consequences of guilt we all know. I do not think I need expound them, either by textual reference or precedent. I therefore come to discuss whether or not these allegations of fact, which undoubtedly if proved, establish the guilt charged in the indictment, are brought home. I say, first of all, that they are brought home, if anything can be brought home at all, by circumstantial evidence. We find the person charged proven guilty of this offence, whatever it is, by inference from circumstances proven. The hon. member for Welland says: "Did you ever know of a man being found guilty by inference?" I say in this House as one who has had some experience in law—but if one had none at all, the ordinary reader would know this just as well—that ten men are convicted on inference for one who is convicted by the seven senses. Ten are found guilty because of circumstantial evidence out of which the inference of guilt comes for one found guilty in any other way. Let us inquire: Are the circumstances such that the reasonable man will know that guilt is established or are they not? The undisputed facts, of course, I do not need to rehearse—the fact of the deposit of the money, of its lying there from about the 3rd July until the 15th August, only trifling amounts being withdrawn in the meantime. Its withdrawal on the 15th day of August—this is admitted. Its withdrawal in cold cash on the 15th day of August; its withdrawal and deposit immediately in a larger and stronger bank—all this is admitted. It is admitted moreover that its deposit was in the name of a secretary "in trust". There is an explanation of this given and I will discuss the explanation later. It is admitted still farther that the fact of the impending failure of the bank came to the knowledge of members of the government, not all, on the night of the 14th August, in all its horror and all its pregnancy, and that those facts were so startling that the Prime Minister, to use his own words, stood aghast. That the bank failed is, of course, admitted. That tremendous suffering and hardship have followed in its trail, everybody knows and everybody has known right back from the last days of August to this hour. The loss of those depositors, thousands of them poor working people, the sufferings and agony entailed, all have known and known, not since the 17th or 14th of May but since the bank failed in August last. It is known as well that, upon there being mooted in the press an allegation that a minister of the Crown had taken advantage of his position to save his own money, and the Minister of Labour being accosted by a reporter and asked if he was the man, he stated that he withdrew the money, but that he withdrew it in the

ordinary course for the purpose of paying on a house. I have used his language on the record. Of course nothing can be disputed which took place in this House on the 22nd day of May.

I now come to the one fact around which the discussion, so far as it is relevant or useful, revolves. Has it been established by satisfactory evidence that the minister acted on information gained as a minister of the Crown? I do not think anything else is worthy of debate. All other talk will only confuse. Is the evidence on this feature satisfactory or is it not? What is the evidence? First of all there is the evidence of the directors who, on the night of the 14th, informed at least three ministers of the Crown of facts so startling that, on the admission of all three, they were facts that should be brought to the attention of their other colleagues of the government, facts so startling and important that two of them stated on their oath that, if they failed to bring them before their colleagues, they would be derelict in their duty. I will quote to prove this, if I am asked or challenged, from the evidence sworn to here by these ministers, evidence they could not help but swear to, evidence every word of which was undoubtedly true. And even if that evidence had not been given, every one of us would have known that it was a fact anyway. Is anybody so childish, so hopelessly innocent and mentally uncouth as to imagine that, it being brought to the attention of the government that a bank was to fail in the course of one, two days or hours, they would not have brought the subject before their colleagues at their first meeting? No one who has ever had anything to do with a government will ever be told that, or, at least, not face to face. The absurdity of such a suggestion affronts the intellect, affronts one's common sense. This bank collapse was the most startling event in two years in the commercial life of Canada, and imagine, after ministers are apprised of it, they conceal it from their colleagues for any time at all! No, they frankly say: Our duty certainly was to consult them. The Prime Minister tells us the view he took of the matter and the view he expressed to the delegates who came from the bank. That was his view; but he very properly, inevitably stated, could not avoid stating that before anything final was determined upon as regards a subject of such colossal importance to the people of Canada, he was bound to lay the matter before his colleagues.

On the afternoon of the 15th August, the Acting Minister of Finance (Mr. Robb) was to go to Montreal on this very matter and, associated with the Home Bank delegates, to lay the truth before the Bankers' Association. For the purpose of their discussion of the subject, for the purpose of his own information, he acquires from the directors that morning in the hotel a written statement of the position, supplementary, perhaps, or perhaps only complementary of the presentation of the night before. It was already arranged that he was to go to Montreal. That is the evidence on record. What are his instructions to be down there? Those will be determined, and I ask hon. members: Where? Would they not be determined in cabinet council? Why, for the government even to intimate to this House that the final action, the final conduct of the government in this regard, even before the meeting with the Bankers' Association in Montreal, would be determined save when all council were consulted, would be an admission of an inappreciation of public duty. No, one only needs to argue simply for the sake of putting it in print that the matter came up in council. Common sense teaches everybody that it must have come up in council before the Acting Minister of Finance could go to Montreal, especially in view of the impending almost instantaneous collapse of a financial institution in this country.

But what is the other evidence? Immediately the sitting is through, about 12.45 p.m., the minister takes his route right across to the Home Bank, signs his cheque, lays it down, demands his money, demands $4,050 in bills. I ask hon. members to remember not only the bills, but the exact amount, $4,050. The haste of the minister immediately after council is some indication in itself of what council considered while in session. There is the evidence of the minister and, perhaps, I had better read it exactly. I will read first what the minister says in respect of what he considered his duty. At page 75 the minister after reciting the fact of the withdrawal and the fact of having heard reports in February and March, and having intimated his decision to pay back the money, says this:

> I think, Mr. Chairman, that covers the statement necessary. I might say, of course, that I am precluded by my oath as a cabinet minister from intimating in any way whether any questions in relation to the Home Bank of Canada were or were not discussed at either of the cabinet meetings of August 15th which I have said I attended.

Thus in his first carefully prepared statement, the only statement he made save on cross-examination, he emphasized in the clearest, simplest terms that he was precluded

by his oath of office from saying a word as to whether this matter was or was not discussed. And in the face of that every hon. member who has stood to defend him in this House has asserted that, a page or so afterwards, he violated what he considered his oath, stating that the matter had not been discussed there at all. Are those gentlemen doing justice to the minister who stand and plead in his defence, what would be a violation of what the minister himself believed to be his oath? Or are those doing the minister justice who refuse to believe that he deliberately violated that oath? The whole circumstances show that when the minister stated, as reported on the next page, that he had not discussed the matter with others, he meant others outside the cabinet council; and they who argue otherwise attribute to him a breach of what he believed to be his oath of office.

Mr. CANNON: Am I to understand that the right hon. member's contention is to the effect that the Minister of Labour under oath stated that the matter had not been discussed?

Mr. MEIGHEN: No, I do not think that he said so. Does not the hon. member agree that the Minister of Labour never intended to say that the matter never was discussed?

Mr. CANNON: Knowing my right hon. friend so well, I would rather not give an answer just now.

Mr. MEIGHEN: That is the safest course, perhaps. I stated very clearly what I thought the minister wished to convey. I do not think that the minister wanted to leave that impression at all; if he did then he is guilty of something which I think is worse than even what he is charged with by the hon member for West Hastings (Mr. Porter). I do not think he violated his oath, but in view of his own statement he did violate it, if those who have spoken in his defence are right in their contention. Let me quote from the evidence. The conversation with the Deputy Speaker had been under review—this conversation which referred to the Home Bank as a lame duck, the nearest approach to the specific that was brought out in evidence. Then the evidence continues:

> Q. And after getting information from Mr. Gordon did you get any further information?—A. No.
>
> Q. You say "No"?—A. No.
>
> Q. Of any kind or description—or anywhere?—A. Not that would form my opinion in regard to the matter.
>
> Q. It may not have formed your opinion, but did you get any other information?—A. No one else had discussed the matter with me at all.

It is manifest what the minister meant; the only one he had discussed the matter with was the Deputy Speaker. And this was only two minutes after he had declared that he was unable by reason of his oath to divulge whether this subject was or was not discussed in the cabinet council by his cabinet colleagues. It is perfectly idle to argue that the Minister of Labour went on oath one minute and swore that if he said a word as to whether or not the matter was discussed at the cabinet meeting he would be violating his oath, and that the next minute he would step right forward and violate that oath as he understood it by stating that the matter had not been discussed. The minister meant nothing of the sort. The circumstances show that he never intended to convey such an impression; and those of us at least who do not wish to believe him guilty of perjury—must dismiss that view. Up to this point there is no denial at all. The facts show however that he proceeded post-haste to the bank and got his money out. These things are a clear indication, if we had not all these other facts as to the circumstances which would compel discussion that morning, that there actually was a discussion.

There are many other circumstances just as convincing as any I have cited and I am going to review them. I wonder. has it any significance that the minister withdrew $4,050? He had more than that on deposit; he had $4,150 odd on deposit at the very moment that he withdrew the amount I have stated. Now, the minister wtihdrew the money for the purpose of saving it. He admits that; there is no argument about it. Well, was he anxious to lose the other hundred? Was he wanting to contribute that to the widows and orphans who had their deposits in the bank? Does anyone accept that explanation? The minister wanted to leave a little money in the bank. Why? The answer is, so that it would not appear as though he had withdrawn it to save it; he wanted to have at least one feature of the case which would disarm suspicion. Another circumstance worth observing is this: I could not help thinking that the hon. member for Southeast Grey (Miss Macphail) had her mind centered on one very pertinent fact. Why did the Minister of Labour when he got his money out of the Home Bank walk right past the Royal Bank to his office and not forthwith deposit it? Is anyone present with a suggestion? Here is a case for the fertile mind.

Mr. LOGAN: He would not have to walk past the Royal Bank.

Mr. MEIGHEN: It was just two or three doors away.

Mr. LOGAN: His office is west, and the Royal Bank east, of the Home Bank.

Mr. MEIGHEN: Well, half a block away, just a few doors. Why did he go to his own office with that money in his pocket? The hon. member has not offered any suggestion and he cannot.

Mr. CANNON: He was still afraid of banks.

Mr. MEIGHEN: The humour of my hon. friend never fails him. But the minister's confidence in banks was quickly restored as soon as he met his secretary in his office. On entering his own office he instructs his secretary to take the money over and deposit it in her own name in trust. This evidence did not come from the Minister of Labour; it came out afterwards. It apparently was believed that when the minister made the statement that he had withdrawn the money after leaving the council, everyone would be satisfied and there would be no need of calling witnesses from the Royal Bank. But those witnesses were called and this evidence came out, that the money was deposited in the name of the minister's secretary in trust. Then came the minister at last with an explanation. I ask hon. members to keep in mind the fact that he said not a word about this in his own evidence in chief. The explanation given of this incident is this: The reason he put his own money in the name of another was to enable that other to draw it out without a power of attorney. He wanted the money deposited in such a manner that the other person could draw it out. And, mind you, he could not withdraw it himself without a power of attorney. I ask the House to reflect whether that is a satisfactory explanation or not. I ask hon. members to inquire of their fellows how many in this House have their own personal and private funds in the name of a secretary, of a stenographer.

Mr. FINN: Some are too cute.

Mr. MEIGHEN: Yes, I would think so. What I say is, and I say it in all charity, this explanation does not satisfy. This explanation is not an explanation at all. A man puts his money in his own name. If he trusts someone he may give that someone a power of attorney to cheque against his account, and he directs that attorney what to draw. But why would a man residing here put his money in the name of another person so that that person would be able to draw on his funds at her will, and he could not draw his own funds himself? He would have to have a power of attorney from his stenographer to draw his own money! There are other circumstances, but the significance of this cannot be and is not lost on any mind in this House. This method was adopted simply as a safeguard that the facts would not so likely get out.

But there are other circumstances too. I want hon. members to keep in mind that although the money was transferred to the Royal Bank on August 15, virtually nothing was drawn out of that account until October 1. The first time any publicity was given to the circumstance was, I think, in the month of March, 1924, some six months after the occurrence itself, some six months after the whole Dominion knew of the suffering entailed in the crash of the Home Bank. When the facts came out in the press of the money going right over to the Royal Bank, the very same bills rolling back the next morning through the clearing house into the Home Bank, those facts—those allegations rather, to be fairer, came out in Toronto—I do not think they were out the same day in Ottawa—then Mr. Murdock is interviewed by a reporter of the Ottawa Journal. The reporter did not give evidence because Mr. Murdock admitted the facts. He was asked if he was the man, and he answered "yes." His explanation, and the only one, was that he drew out the money in the ordinary course of business to pay on a house. Mr. Murdock was not then on oath. I ask hon. members of this House if they think he told the truth in that statement.

Mr. LOGAN: Certainly he did.

Mr. MEIGHEN: He took the money out to pay on a house?

Mr. LOGAN: On a mortgage which was not due until October 1.

Mr. MEIGHEN: Why, the hon. member says Mr. Murdock took the money out to pay on a mortgage. Mr. Murdock says on oath now that he did not, that he took it out to make it safer in another bank.

Mr. LOGAN: He took it out to make it safer and to eventually pay off a mortgage on his house. Why don't you be fair?

Mr. MEIGHEN: Yes, he took it out that it might be safer in another bank because he needed the money to pay on a house. Would it be any different if he needed the money to pay on something else? I suppose if he did not need it to pay on a house he would have left it where it was? How absurd! The

whole house idea was a shield put up to cover the withdrawal. The house had nothing on earth to do with the withdrawal of his money. The hon. member for Cumberland (Mr. Logan) knows it. If he wanted the money later to pay on another debt would he not have withdrawn it just the same? The withdrawal of the money was to make it safe. That is what he said. The simple fact is that he did not pay it until October 1.

Mr. LOGAN: When the mortgage became due.

Mr. MEIGHEN: Yes; but this is all beside the point, it does not affect the issue at all. The fact is he did not pay a dollar on the house until October 1, although he protected the money on August 15. Was it frank, was it truthful on his part to tell the public that he was withdrawing the money from the Home Bank to pay on a house?

Mr. MACKENZIE KING: Was it not a fact that the Minister of Labour at the time was expecting to make a trip to the West and be absent from Ottawa about the time the payment on his house would become due, and that this was his reason for removing the money as he did and leaving it in the name of his secretary who, being in Ottawa while he was absent, would be able to make the payment when it became due?

Mr. MEIGHEN: That is not in evidence.

Mr. MACKENZIE KING: That is the minister's statement to me.

Mr. MEIGHEN: Perhaps he did. I do not like this habit of the Prime Minister of fetching in evidence second hand from somebody else. But even if all that was stated in his evidence, why could he not leave his cheque to be payable when the payment became due, or why could he not send the cheque from where he was? I wonder if the Prime Minister has his money in the name of some secretary.

Mr. MACKENZIE KING: As a matter of fact, my secretary is the only one who has had my bank book for the last two years.

Mr. MEIGHEN: So has mine, but the bank book is in my name.

Mr. MACKENZIE KING: I have not seen mine for the last two years.

Mr. MEIGHEN: Whose name is it in?

Mr. MACKENZIE KING: In my name.

Mr. MEIGHEN: I should think so.

Mr. MACKENZIE KING: My secretary has a power of attorney to draw on my account.

Mr. MEIGHEN: Very good, that is the way Mr. Murdock's was before. The Prime Minister has no intention of changing that, has he? If the Prime Minister wants to pay anything on a house he would not have any very great trouble, I suppose?

Mr. MACKENZIE KING: Yes he would.

Mr. MEIGHEN: If he has money in his account he would not have any trouble. What a paltry excuse to give to the Prime Minister, that he wanted the account in the name of his secretary so he could easily pay money on a house on October 1! Why this is only added evidence against the minister. To tell that to his chief is simply adding to the evidence of his guilt. The conduct of the minister from the beginning is just the conduct of a man who knew he had done something which he should not have done. Right from the moment that he got the money out, if he felt it was something he should have done and was quite right in doing, he would not have gone to his desk first in his office, farther away, he would have gone to the Royal Bank right beside him and put the money there. There is other evidence still, although I do not attach the importance to it that some do. In his evidence he stated clearly that "other circumstances developed" that day which brought the contemplated withdrawal to a head. Is it conceivable that he would not have told what they were, if they did not take place in council?

11 p.m.

But there is other evidence more important still. Here are facts which I know will sink into the minds of any one who has ever had to do with a trial of any kind. If this matter never was discussed in council on August 15, it was within the power of his colleagues to have cleared Mr. Murdock in five minutes without any violation of their oath at all. The fact of evidence not coming forth which if innocence existed is available to prove innocence, is always taken in a court of law as the very best evidence of guilt. Does anybody suggest that if the matter of the Home Bank had never been discussed at that council meeting on the morning of August 15, there was anything in the oath of any minister to prevent him saying so? Nothing could be more absurd, nothing could be more ridiculous unless it be to talk about anybody being forbidden to tell who goes to council, or when council gets out. Those things are perhaps still more grotesque. I do not care

what Judge McKeown said. He did not give any ruling anyway, for the matter never came before him for consideration. He was just asked whether argument in council could be given publicity to, and he very properly said no, it could not. Then incidentally he was asked, "Could they say who was present?" and he said, "I don't think that could be given in evidence." Still if he had been doing any thinking he would not have said it. I do not like to refer even to what was purely an aside by the judge as ridiculous, but hon. members will on a moment's reflection agree that such an aside is ridiculous. In the British cabinet, where the oath is the same as here, there is announced every morning in the papers who was at council, and officially in books I have before me it is announced who was at council day by day; and any man, at least in our time, could stand right outside the council door and report to anybody who went into council. The oath of office does not say a word as to who went to council. The oath says you cannot give out what takes place in the deliberations of council. It has nothing in the world to do with facts as to who where there, much less as to facts as to when they went in and when they got out.

Now then, does any one suggest a minister cannot say what did not take place in council? I do not claim he is compelled to say what did not take place, but he is allowed to say it if he wants to. There is nothing in the world in the oath of office which precludes the minister from telling what did not take place in council. As a matter of fact, ministers do it all the time. They stand in this House, in all governments, and say that such and such a matter was not discussed. They even, indeed, say what was discussed, and it is no violation of the oath even then. It was the practice in our time, and I do not doubt it is yet, to give to the Press a statement as to subjects that came up at council. This was very often the practice, and a proper practice, but you cannot go further and say what this member of council said about it, and this one, and that, or give out anything that is manifestly of a confidential nature. This is what is forbidden. Now does any one really suggest that a minister cannot say what does not take place in council? If I am asked: Did you discuss in council the South Sea bubble, am I breaking my oath if I say no? The thing is too ridiculous for assertion. So that every member of the government, if the fact was that this subject was not under review, was at absolute liberty to come before that committee and to declare before the committee: We never discussed the Home Bank in the forenoon at all; the subject never came up. And once he did so, he had gone very far to clear his colleague of suspicion in this matter. But not one of them did so. To their credit be it said they did not. Not one of them ventured even to intimate that the subject did not come up. What is the inference? I want to ask, could inference be any stronger, could circumstantial evidence be more complete? I venture to ask those having to do with the courts of trial in this country if they could imagine evidence which would be better or more convincing evidence of the facts stated in this allegation.

The circumstances are complete from beginning to end. The evidence, I know, convinces this House. The minister may have heard something. I am not now calling in question the honour of the Deputy Speaker, but I must say it seemed very, very strange to me that this information was delayed so long. It seemed very strange to me that Mr. Murdock did not say anything about it in March, very strange. It seemed strange that he said nothing about it in this House on the 22nd of May, but assuming it is correct, does anybody imagine that he went there on the noon of the 15th of August because of a statement about the bank being a lame duck on the 9th of August? Why, these general statements of rumour are current all the time. We have heard them about various banks. Everybody knew, anyway, that the Home Bank was one of our weaker banks. We all knew the Home Bank was not a strong bank of the nature of the larger banks, but there was nothing in what the Deputy Speaker said which disclosed any fact at all upon which any man would think of anything special in the way of danger existing at the time, and the fact that the minister never bothered about it, but let all the money stay there till the whole peril was reviewed right before his eyes on the morning of the 15th—the fact that he left it there till that time shows that he did not act at all upon anything of this casual indefinite character which he heard from the Deputy Speaker away back on the 9th.

Now, the minister's contention all through has been such as adds mightily to the web that binds him to this offence. The minister has not been frank with parliament from the beginning. The minister's duty when the facts were disclosed first, when the allegations were made, was to make a statement which was

true, a statement which was frank and full. It was his duty to make a statement by which he could abide; but he failed to do so. On the contrary, he made a statement which was not true at all. When the matter came up in this House, by all precedents—and the minister doubtless was warned by his colleagues; he certainly should have been—his duty then, if he was not guilty of this offence, was to enter a frank denial and make a plain statement to the House of the facts, so that those facts could be submitted side by side with these allegations to the committee; but he did not do so. He read two letters to show that he returned the money, and thereupon he sat down. Was that treating parliament correctly? Was that treating parliament the way an hon. member would whose conduct in this whole concern was without blame?

There is another circumstance to which I might refer, and this is the returning of the money itself. I ask hon. members to review that fact in all its bearings. When was the money returned? On the 14th of May, 1924, in response to a letter dated the 7th day of May of the same year. A part was returned then. To the fact that a part was returned I attach no significance at all; it is just the same to me as if he had returned all on the 14th. Now I want to know if the minister would have returned that money if his conduct in withdrawing it was in his own mind absolutely right? If he did not get any information as a member of the government, would he have returned that money? Why did he return it? He tells us he returned it because he did not want others of the Home Bank to suffer while he did not. Why was he of that mind on the 14th of May, and not of that mind on the 15th of the previous August? On the 15th of the previous August, on his own statement he drew it out so that he might save himself and others suffer more. Now, didn't he? On the 14th of May he wants us to believe he returned it so that he would suffer more and others suffer less. Is it reasonable? Why was he not of that mind on the 1st of May, the 1st of April, the 1st of March, the 1st of February, and all through the intervening six or seven months? Ah! he gets a letter on the 7th day of May from the liquidator, and he is told by the liquidator that facts are alleged to him which require him to ask that the money be returned; "Is it your will," the liquidator asks, "to return it or to fight the case before the referee?" Mr. Murdock was face to face with the legal battle if he did not return that money. He was face to face with a revelation of the facts in the courts of law before a judge, face to face with a revelation of all the circumstances surrounding this withdrawal; and so face to face with that revelation, sure to come, Mr. Murdock returns the money. Now I ask hon. members, did he return that money because his heart was moved for the other depositors or because of that revelation which otherwise was to come? I appeal to the common sense, the cold reason and sanity of hon. members of this House. Was he affected by a different comparison on the 14th of May from any that ever affected him before? Or was he not affected by the threat of the liquidator, that if he did not return the money he would have to face and establish his bona fides before a court of law? Thereupon he returned the money. Therefore I say, to return it under those circumstances is still another cord which binds him to the offence embodied in this allegation.

Now this House owes justice to the hon. member for West Hastings just as much, and no more, as it owes justice to the Minister of Labour. It will not do for this House to treat these matters lightly. If the House goes on record as stating that in the face of all these circumstances a minister can so act, and be acquitted, then so much the worse for the conduct of cabinets and public men in the years to come; so much the worse for the honour and repute of parliament; so much the worse for the standing of our political institutions throughout the Empire and throughout the world. A man who enters the cabinet of this country must be governed by a standard consistent with our traditions. Such a man must be governed by a standard which appertains not to others; and when he falls from the standard he must accept the penalty. Hon. members will do themselves most justice will do this government most justice, and will do the minister himself most justice to pronounce a verdict in accordance with the facts.

Mr. LUCIEN CANNON (Dorchester): At this stage of the debate, and especially after the very complete summing up of the case by the right hon. leader of the opposition, my remarks will be very brief for two reasons: First, because most of the facts have been brought before the House; secondly, because the plea of the right hon. gentleman who has just taken his seat has shown beyond any doubt that the report of the committee should be upheld. I am quite sure that my right hon. friend is not aiming at such a result; but I think that when hon. members will have scrutinized his speech, when they will have weighed his arguments, they will come to the conclusion that the decision of the committee

on Privileges and Elections was a good one and should be upheld.

Questions of privilege are probably the most important questions that could come before us. They are generally questions where the honour of one of our fellow members is at stake. We may be divided on political grounds, we may differ in principle on public questions; but in the daily intercourse among fellow members even if we are political opponents we are all personal friends. Therefore, whenever the honour of a fellow member is at stake it is always with a sense of our responsibilty, with a very heavy feeling of our parliamentary responsibility, that we approach the question and give our views thereupon.

Not only are questions connected with parliamentary privileges questions of great moment and importance on account of the reasons I have just given, but there is this other fact to be borne in mind: Since the great upheaval of 1914 to 1918 the institutions which have governed the world have been menaced in so many directions and by so many means, that it is the duty of every public man in any country to try and do his very best to safeguard those institutions. Therefore, whenever a question arises here which might shake the confidence of the Canadian people in their parliament that question should be dealt with in a calm and dignified manner, and without any display of partisanship. If my hon. friend from West Hastings, (Mr. Porter) whom I have know for several years, had approached this matter in the spirit which I have indicated, if hon. members on the other side had conducted this question as it should have been conducted, and had taken the attitude which they should have taken, they would have risen far above any party spirit. I am sorry to say I believe this whole matter loses the importance that it might otherwise have had because it has been a political means adopted by the Tory party in this House to try and ruin the reputation of one of the ministers of the government. Had hon. members opposite risen in this House to uphold the privileges of parliament, if they had asked us to punish one of our fellow members whose conduct had been undignified, I would have been the first to support their contention and try and help them in the achievement of that object. But since the inauguration of this matter every word which has been uttered, every move which has been made, has shown that the object of hon. gentlemen opposite is not to safeguard the dignity of parliament but simply to murder politically one of their political opponents.

[Mr. Cannon.]

What was the reason for bringing this charge before parliament? How does it come that the hon. member for West Hastings has presented himself before you, Mr. Speaker, as the champion of parliamentary dignity? I have sat in this House for seven years, I have followed the actions of the hon. gentleman throughout the proceedings of parliament whenever I was present. He has been always a very pleasant, genial, agreeable fellow member, but never before have I seen him showing such zeal and ardour in protecting the dignity, honour and traditions of parliament. When did the hon. gentleman discover that his parliamentary honour was ruffled, that his dignity was slighted? When did the hon. gentleman discover that our parliamentary traditions were disregarded? The hon. gentleman discovered it when he thought he could bring before this parliament a matter which would hurt the reputation of the Hon. Mr. Murdock, a political opponent who had encountered the enmity of the Tory party on account of his having resigned from the Board of Commerce in 1921. It has been said that the reason why the Bourbon régime in France did not succeed after the downfall of Napoleon was that the Bourbons had not forgotten anything and had not learned anything. The Tory party in this country are the best Bourbon representatives we have. They never forget a man who has hurt the party; and the Hon. Mr. Murdock, having resigned under circumstances which were hurtful to the Tory party, is to be made the victim of their revengeful spirit.

Now, examining the proceedings of the committee I will advance first the proposition that as a matter of fact the charge laid by my hon. friend from West Hastings has not been proved. In this House we cannot proceed on suspicion. We cannot base a judgment on inferences. The leader of the opposition made an appeal to those who had experience in court rooms. I have had a certain experience in the courts, and never have I heard a lawyer of any standing at the bar in my province or in any other province asking that a prisoner be convicted on suspicion or on inferences. The evidence which has to be brought before a court—and this, Mr. Speaker is the highest tribunal in Canada—is positive evidence of facts. We have the proceedings before the committee. Every word that has been uttered by the witnesses has been printed. I challenge any member of this House, no matter on which side he sits, to show that it has been proven in any way that the Minister of Labour as a matter of fact has taken an undue ad-

vantage of any knowledge he might have acquired as a minister of the Crown. We have to restrict ourselves and limit ourselves to the pertinent evidence lawfully adduced before the committee. All the witnesses who were heard were precluded from giving evidence as to what happened in council. When the decision was given by the chairman in regard to whether the witnesses could divulge the proceedings before council, my hon. friends who sit opposite to me were unanimous in saying that it was privileged—not only privileged in a qualified way, but absolutely privileged. Therefore we have no evidence whatever in the printed proceedings of what happened in council. No man in this House, no matter where he sits, or who he is, can say that it has been proven that the Home Bank matter was mentioned in council. There is no such evidence. Can we say, as we are asked to do by the leader of the opposition, "It is true there is no evidence but we can suppose." This is no matter of supposition. We have no right to suppose. We are the judges and we must weigh the evidence.

My second proposition is that even though every allegation of my hon. friend from West Hastings had been proven, even admitting for one moment that witnesses had come before the committee and told us that the Home Bank had been discussed, even admitting that after having heard the discussion among his colleagues, the Minister of Labour had left the cabinet chamber and gone to the bank to withdraw his money, and even admitting the whole case presented by the hon. member for West Hastings, I say that in law the charge which he has made is absolutely non-existent. There is no offence. A most extraordinary contention was brought forward by my hon. friend from York-Sunbury (Mr. Hanson). He contended that although no evidence had been brought forward as to what had happened in council, yet taking the evidence given in relation to the conversation between the Deputy Speaker (Mr. Gordon) and the Minister of Labour, if the Minister of Labour had spoken to the Deputy Speaker in his capacity of minister of the Crown, he had taken an undue advantage of his quality as minister, and he was therefore equally guilty. Let us, Mr. Speaker, consider the first proposition which is purely supposition, and then deal with the second proposition, which is totally absurd. Recently the Right Hon. Winston Churchill wrote a book about his experiences during the war. I understand that he sold his rights for an enormous sum. In that book he divulged happenings at council during the war and published certain documents. Would my hon. friend contend for one moment that Winston Churchill should be expelled from parliament, if he were a member of parliament to-day?

Mr. MEIGHEN: What on earth has that to do with this case?

Mr. CANNON: If my hon. friend does not see it—

Mr. MEIGHEN: I do not.

Mr. CANNON: Then I am sorry. I thought his legal intendment was much brighter.

Mr. MEIGHEN: I do not think anybody else sees it.

Mr. CANNON: Let us go further. The ex-Prime Minister of England, Lloyd George, also published articles for enormous sums. He also has obtained financial advantage by using his knowledge acquired as a minister. That is a well known fact. His articles and publications are read by millions of people. Has any man in that Imperial House of Commons had the excessive sensitiveness of the member for West Hastings and raised the question as to his moral turpitude. Let us go further, Mr. Speaker. In the Marconi affair it was proved beyond any doubt that ministers of the Crown had taken advantage of the knowledge acquired as such to speculate in stock. Did the Imperial House ever raise that question? Lloyd George was mixed up in it. Lord Reading and others were also mixed up in it. Were these gentlemen ever expelled? They surely were not, because there was no offence, such as is claimed by the hon. member for West Hastings.

When gentlemen become members of the cabinet I understand they take two different oaths; the first as ministers, to the effect that they will administer their departments in the best interests of the public in general, and the second as privy councillors. The member for West Hastings has a right to ask the members of this House to condemn the Minister of Labour if he proves, first that his conduct was of such a nature that his departmental administration might have suffered. The hon. member certainly will not pretend that for one moment. If the department has not suffered, has the public interest suffered? Has it been shown here that the public in general has suffered through the conduct of the Minister of Labour? Has that been proved here to the satisfaction of hon. members? Has my hon. friend from West Hastings or his fellow-members in the House produced one

tittle of evidence to the effect that the conduct of the Minister of Labour was against the public interest in Canada? If, therefore, the Minister of Labour has acted in such a way as not to hurt departmental affairs with which he is entrusted, and if he has behaved in such a way as not to injure the public in general, we have no right to interfere. Where would be the offence?

I come now to my third proposition. I stated first that in fact the case was not proven. I stated secondly that in law the case does not exist, and I state thirdly that the case is not practical, and we should not bother about it in parliament. Who can go to the Minister of Labour and complain of what he did? The depositors? My hon. friend from West Hastings is not a depositor. My hon. friend from York-Sunbury is not a depositor. I hope my right hon. friend, for whom I have great esteem, is not a depositor either.

Mr. MEIGHEN: No, nor anywhere else.

Mr. CANNON: The same here. Then what are we arguing about? Every cent that the depositors might have lost, Mr. Murdock has sent back, from a practical viewpoint, why are we wasting our time to-day? To have the hon. member for West Hastings show us that as he is getting older, he is getting wiser and purer, may be interesting, but it is costly. Has it been proven that Mr. Murdock took an undue advantage? That money in the bank was his property. He had a right to it. It did not belong to the shareholders. It did not belong to his fellow depositors. It belonged to him and he went and got it. Supposing the hon. member for West Hastings owned a horse, and supposing he was a member of the municipal council and at a meeting of that council he heard that a thief had gone to his stall in the stable to steal his horse. He would go to the stable and, finding the thief going away with the horse, he would grab it. He would be doing only what he was entitled to do. Let us come down to ordinary common sense.

Some hon. MEMBERS: Oh, oh.

Mr. CANNON: Unfortunately, we have had very little from the other side. Leaving aside partisanship, can any man in this House, being a real man, not a politician, stand on his feet and seriously, without the risk of being laughed at, claim that he would not have done the same thing as James Murdock? I say that any man who would have done otherwise would not be fit to sit in this parliament.

I come to the most extraordinary contention of the hon. member for York-Sunbury, who says that when the Deputy Speaker (Mr. Gordon) spoke to the Hon. Mr. Murdock, it was two political authorities meeting, and, therefore neither of the two should move on account of knowledge interchanged. It was not two men, two friends, meeting; it was my good friend the Deputy Speaker meeting the Minister of Labour. Therefore, if Mr. Murdock knew from the Deputy Speaker at that time that there was something wrong with the Home Bank he should not have spoken about it, and if he did, he ought to be kicked out of this House! Supposing Mr. Speaker, that instead of talking about the Home Bank, the Deputy Speaker, after having spoken about business with Mr. Murdock, had said to him: "Look here, Murdock. I forgot, your house is on fire." Mr. Murdock would have had to stay in his seat until he had ceased to be a minister! If the Deputy Speaker, instead of talking about the Home Bank, had said: "Jim Murdock, it is pouring rain," if Mr. Murdock had gone out as a minister, he would have had to leave behind his overcoat and umbrella! Are we here in parliament going to believe such nonsense, or are we going to listen to such arguments and vote accordingly?

I come now to the most farcical feature of the whole affair. To-day we have been given a standard of political morality by people who have been begging in such matters for twenty or thirty years gone by. We are going to be told what is the honour, dignity and tradition of parliament by the Tory party! I have seen good comedies, but I do not regret not having gone to any show in Ottawa to-night. I have seen a better comedy right in this House—this Tory party, this old party which is practically crushed under scandal after scandal, the party to which belongs the Canadian Pacific scandal, the McGreevy scandal, the Canadian Northern scandal, the War-time Elections scandal, the war-time scandals. Why did the hon. member for West Hastings, instead of dragging before the bar of this House the honoured name of the Minister of Labour, if he wanted to be sincere and to reform political morality in this country, not bring before the bar of this House and of public opinion his former leader, Sir Thomas White? If the hon. gentleman had exhibited the same standard of morality with the same strictness in the case of Sir Thomas White as in that of Mr. Murdock, instead of its being an honour for Mr. Murdock to resume his seat, something quite different might have happened to Sir Thomas White, and my hon. friend knows what I am referring to. The Tory party is going to tell us what political morality is!

Mr. MEIGHEN: Sir Thomas White is not a member of this House. If the hon. gentleman is making a reflection on him, he should make it at least specifically. I do not know what the hon. member is referring to, but as an associate I do not know of any more honoured name that ever adorned the public life of Canada than that of Sir Thomas White.

Mr. CANNON: I know whereof I speak. This was a Minister of Finance, amongst whose followers was the hon. member for West Hastings and who knowing the condition of the Home Bank, never moved, never did anything to save the depositors, a man who, as minister of the Crown, had the whole responsibility and who, after being a minister, became the lawyer of the same bank and received $1,500 for coming here to try to get a Liberal government to save from ruin a bank that he, as a minister, refused to interfere with, for what reason I do not know. The hon. member for West Hastings should find out from his friend himself. This is the party in front of us, the reformers, the moralists, the scrupulous people who, meeting the Hon. James Murdock, have to cross the street because they are afraid of being contaminated! The spectacle that we are being shown to-day is one at which the people of Canada will have a good laugh because it is a joke. It is ridiculous, not only on account of the party, but on account of the leader of that party. I was listening to my right hon. friend, for whom I have great consideration; but when my right hon. friend started talking about morality, if it had not been for the honour, dignity and traditions of this House, I might have burst out laughing. Here is a gentleman who in 1917 did things of such a nature that to translate them he used language that nobody knew in Canada. Are we going to hear from this gentleman what political morality should be?

Mr. MEIGHEN: I would advise the hon. member to have some regard for the truth. The hon. member now is stating what he must know to be untrue. I suppose he refers to a miserable filibuster of the late hon. member for Cape Breton which failed about as ignominiously as anything ever did in this House, an allegation which not only he failed to prove but which was absolutely denied and which turned out to be based wholly on a forgery.

Mr. CANNON: Is my right hon. friend in a position to tell us what language the telegram was written in?

Mr. MEIGHEN: I had nothing to do with the telegram at all. The signature to it was not mine. There was no signature except initials, and they were not mine, they were never written with my authority, and I knew nothing about the matter. The hon. member knows that.

Mr. CANNON: The right hon. gentlemen's secretary no doubt had power of attorney.

Mr. MEIGHEN: I would suggest to the hon. member that he adhere to the issue if he has anything to say about it.

Mr. CANNON: I am sure my right hon. friend is not very well pleased to have the issue enlarged with himself included in it. Now, Mr. Speaker, I have detained the House long enough.

Sir HENRY DRAYTON: Go on.

Mr. CANNON: Let me sum up the case thus: First, the facts do not bear out the charge in law; secondly, there is no charge; in the third place, there is no practical advantage in discussing the matter; fourthly, it is ridiculous and absurd for our friends opposite to presume to teach us anything touching public morals. In conclusion, Mr. Speaker, let me say that this incident is to be regretted. Our friend who sits on this side (Mr. Murdock) has been out of the House for a considerable time; and not only has he been absent from the House, but in his own home I am sure that much anxiety must have prevailed by reason of the very hard conditions under which the Tory party conducted this investigation. Let us hope that this will be the last instance of excessive partisanship.

Sir HENRY DRAYTON: Oh, oh.

Mr. CANNON: I hope the hon. gentleman will take this matter seriously; it will do him a whole lot of good.

Sir HENRY DRAYTON: I am still thinking of you.

Mr. CANNON: Let us hope that should political warfare continue it will at least stop at the door of private life and before the sanctuary of family ties.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This whole matter has been so ably and fully reviewed that it would be short-sighted, indeed, to attempt in any way to go over the ground which already has been so fully and comprehensively traversed. However, I should not like the debate to con-

clude without saying a word or two as to the significance of the decision we are being asked to make. As has been mentioned, it is not only the character and the good name of an hon. member of this House that are at stake in the report which the committee on Privileges and Elections have brought in and which we are being asked to pass upon; there are also involved the honour, the dignity and the traditions of this parliament. We are called upon to consider very carefully principles of which account should be taken in judging this matter. I shall not attempt to give views of my own as to the principles that should govern the House in coming to its decision, but I shall refer to one or two authorities whose names are greatly respected and whose opinion should be respected in reference to the judging of matters of privilege and personal reputation of members of parliament.

In 1891 a charge was brought against an hon. member of this House who was a minister of the Crown. The charge, which was a very serious one, was to the effect, not, that while he was in office as a minister, but that previously as a private member of the House, he had had an interest in a government contract and had profited materially from the fruits of that contract. That was the charge that was brought against him and which the government of the day was being asked to investigate. In answer to the request for an investigation, no less a parliamentarian than Sir John Thompson, who a little later led the party which my right hon. friend opposite (Mr. Meighen) leads at the present moment, gave his views to the House as to the principles which should govern in determining a matter of this kind. I shall read one pertinent paragraph, I think hon. members will recognize in a moment wherein it bears upon the question we are considering. Sir John Thompson said, as reported in Hansard of September 23, 1891, volume 3, page 5946:

> I am willing to treat this motion coming now, as if it were a motion placed on the order paper and reached in due course, and I shall ask the judgment of the House upon it with regard, not to any technical rule of order, but to the decision that the House should come to as the judge of its own privilege, and the judge of its own jurisdiction; feeling sure that the House will be careful to keep in mind the cardinal principle laid down from the time that the privileges of members and the privileges represented by members came to be appreciated—the cardinal principle that the House has power, where members have been guilty of a positive crime, or have offended against the laws and regulations of the House, or have been guilty of fraudulent or other disgraceful acts which proved that they were unfit to exercise the trust which their constituents had reposed in them, and unfit to continue to associate with the other members of the legislature:—to exercise its control: but remembering, too, the cardinal principle which runs side by side with it and is of equal value for the preservation of the liberty of constituencies and of members, that it is not for the House in the exercise of that jurisdiction to create a new disability or to enquire into the private transactions of members of the House.

That was the view Sir John Thompson took of how parliament should consider its rights and its duties in discussing matters affecting its honour and traditions; he held that it was not for parliament to create a new disability or to inquire into the private transactions of members of this House. I ask hon. members whether, the particular act to which the hon. member for West Hastings (Mr. Porter) has referred, falls into any category other than that of a matter in the nature of a private transaction, an action which, as the hon. member for Dorchester (Mr. Cannon) has just pointed out, was one that concerned wholly and exclusively the minister's own property. The minister was dealing as an individual with property that was exclusively his own in a transaction which was entirely a personal and private one. It was not a public transaction or concerned with any public matter, it was altogether personal and private with respect to property which belonged exclusively to the hon. member concerned. Now, that is true wholly irrespective of where the hon. member got the information, how he got it or any question of the kind. Are we at this time in interpreting the principle of upholding the honour and traditions of parliament, to declare that in so doing it is part of the duty of parliament to inquire into the private transactions of a member of the House with respect to a matter which relates itself entriely to his own private business?

May I cite one other authority, also greatly respected, the late Dalton McCarthy. Mr. McCarthy who was recognized as of independent judgment in public matters said, as will be found at page 5961 of Hansard of the date I have already quoted:

> I think my hon. friend will admit that when the hon. member for South Lanark sits here under the writ which called on the people of South Lanark to return their representative, it does not lie with this parliament to turn out that representative and disfranchise that constituency except under the law, under the constitution, or under precedent which any man can cite.

Let me repeat:

> It does not lie with this parliament to turn out that representation—

And that is the effort of hon. gentlemen opposite—so to defame the good name and honour of the Minister of Labour that it will be impossible for him longer to sit in this House.

> —and disfranchise that constituency except under the law.

And they propose to do that, although it is admitted in this case that no law has been violated. If any has been violated, will my hon. friend or any other gentleman opposite tell us what that law is?

—under the constitution.

Where under the constitution has the hon. member offended in any particular with respect to any charge that has been made against him? Had he violated his oath of office as a minister of the Crown it might have been stated that under the constitution, he was liable to be censured or expelled from this parliament because the oath of a cabinet minister may well be regarded as a part of the constitution under which our parliamentary government is carried on. But there is nothing under the constitution which has in any way been violated by the hon. member with respect to the charge which has been brought against him.

12 midnight

—or under precedent which any man can cite.

Hon. gentlemen opposite have not cited a single precedent applicable in this case, which would justify the dismissal from or censure by this House of the Minister of Labour in connection with the transactions which are being discussed. If we were to take the attitude that hon. gentlemen opposite would like us to take, we would be establishing a new precedent. Now, we have responsibilities in maintaining the honour and traditions of this House, not merely with respect to the observance of precedents already established, but also with respect to establishing new precedents. The hon. member who has made the charge against the minister and who has brought in this amendment says that when the Minister of Labour talked with the Deputy Speaker in his office and was there told that the bank was about to fail, and acted on that knowledge, that of itself proves the charge. If we support the amendment which is before the House we are establishing that as a precedent. Will any hon. member say that we should make it an obligation upon members of the House and ministers of the Crown that, with respect to their own private affairs, they are not to be permitted to exercise the same prudence or the same discretion that they would be expected to exercise as private individuals? A minister of the Crown makes a good many sacrifices in the public interest that he may give his entire time and attention to public affairs. But I submit that it is going very far to suggest that a minister of the Crown must not, in that capacity, exercise the same prudence with respect to his own property and his own family as he would be expected to exercise as a private individual.

Now I ask hon. members if they disagree with that view. If they do not disagree with it, how can they, regardless altogether of where the Minister of Labour may have obtained the information which led him to act with respect to his own property as he did,—how can they, I say, assert that he has violated some obligation as a minister of the Crown and thereby has violated the honour, the dignity and the traditions of this House? That, it seems to me. is a broad principle we are called upon to consider, and I submit that members should in this matter exercise just the same reasonableness and fairness in forming their judgment as they would in regard to any other matter which may come before them for consideration.

Speaking of these matters of honour and dignity and tradition, there is a motto with which, I think, we are all more or less familiar; it is a motto which finds its place on the royal coat of arms, it is a motto which we have learned to respect from our earliest days—honi soit qui mal y pense; let evil be to him who evil thinks. We can start out with the assumption that the hon. Minister of Labour is a dishonest man, that he has criminal instincts, that his purpose in public life is to enrich himself; or we can start out with the belief—which those of us who know him best hold in strongest measure—that he is among the most scrupulously honest of men and the most fearless and chivalrous. What has been the record of the Minister of Labour? He started life with very little in the way of personal means, with very little assistance at his command, but by his industry, his integrity, and his honesty he won the confidence of his fellow working men, not in tens or in hundreds but in thousands over the whole of this continent. He was entrusted with part control of the trust funds of the great organization of railway trainmen of which he was one of the honoured officers and leaders. When, some few years ago, he entered the service of this country as a member of the Board of Commerce he drew a salary from the government which meant a great deal to a man of his limited means. He resigned that office of emolument and refused to draw another dollar as salary when, as he told the government of the day, he found it impossible to discharge his duties in the interests of the public, because of the restrictions placed upon him. Hon. gentlemen opposite who wished Mr. Murdock at their bidding to occupy an office and draw a

salary, but at the same time not carry out the duties of that office, or serve the public as his position demanded, now seek to drive him out of public life. Instead of attempting to drive Mr. Murdock out of public life, those who wish to see honest and fearless men in public life should do their utmost to retain Mr. Murdock in office.

My right hon. friend takes the actions of Mr. Murdock and interprets them all in his own way, he starts with the assumption that there has been some criminal intent from the outset; in imagination, he follows him from the council chamber, watches him go to the bank, notes whether he turns to the right or to the left, and finally discovers that he allows his secretary to deposit in another bank the money withdrawn from the Home Bank, and attributes this last action to a design to conceal what was done. Mr. Murdock is the last man in this world to conceal anything. The difficulty sometimes is to prevent him from saying the things that he wants to say in the freest and readiest way. Hon. members opposite have been saying, "Why didn't he answer the question: Did you withdraw this money on information other than that which you received from Mr. Gordon?" Let me ask them, why didn't they ask him that question, why didn't my hon. friend who laid this charge against Mr. Murdock, ask him that question? The reason they did not ask it was because they knew Mr. Murdock's answer would be "no", and the moment they gave him an opportunity of making that direct reply all their suspicions would be publicly dispelled and they would no longer he able to weave a case on purely circumstantial evidence.

Mr. MEIGHEN: If the Prime Minister thinks we did not ask him, will he tell us why Mr. German did not put the same question to his friend?

Mr. MACKENZIE KING: Mr. German asked Mr. Murdock the circumstances under which he took the money out, and he said he got the information from Mr. Gordon and acted on that information. And Mr. German believed him. Mr. German was not filled with the suspicion of mind and nature which characterizes my right hon. friend. Moreover, when the hon. member for East Toronto (Mr. Ryckman) was speaking before the committee he used the following words: I read from the proceedings of the Committee page 138:

> The onus is on him, and he is convicted, if I may use the word, by his refusal to give us particulars of this matter, nor to say, and his counsel would have been very alert to have him say, that it was not through an official communication. It would not be disclosing anything that took place in council, if he were to say "It was not through any official communication that I withdrew the money. But there has not been one word of the minister's that has touched upon that point. I say he has carefully refrained from mentioning that, when his duty was to disclose fully and freely his position in the matter.
>
> Hon. Mr. Murdock: Put him back on the stand and ask him those questions.

That is what Mr. Murdock said. Try to conceal information? Fail to give the committee an answer to any question they wished to put? No, Mr. Speaker. He said: Put me back and ask me the question whether I took that money out on information that I got from any official source, and I will answer it for you. And yet these gentlemen to-night who would try to drive him out of public life, not one of them would ask that he should be put back on the stand and be given a chance to answer that question.

Mr. MEIGHEN: Would the Prime Minister be good enough to say that that was long after the case closed and during argument, and that the hon. member who was chairman of the committee told Mr. Murdock —I have not his exact words—to keep quiet.

Mr. MACKENZIE KING: Just exactly what I was saying. The trouble with Mr. Murdock is that he is always ready to tell everything.

Mr. MEIGHEN: At the wrong time.

Mr. MACKENZIE KING: It was open to any member of the committee, at any time, to put him back on the stand, but that does not alter the fact, Mr. Speaker, that all the time he was on the stand not one of my right hon. friend's friends would ask him that question. They took good care not to ask him that question, knowing full well what the answer would be. Everyone now realizes that this is an inquiry on the part of hon. gentlemen opposite, not of a character to help maintain the dignity and honour and traditions of this House, but rather of the nature of prosecution and persecution. For over a month the Minister of Labour has been denied his seat in this House in order that hon. gentlemen opposite might seek to make it appear before the country that in some way he was guilty of some serious offence.

The right hon. leader of the opposition to-night intimated that the government by allowing this matter to go to investigation had admitted that the facts upon which the inquiry was being based did constitute an offence which would violate the dignity and

honour and traditions of this House. We never admitted, never suggested anything of the kind. What we endeavoured to do was to give to hon. gentlemen opposite every opportunity that could be given to prove the serious charges that the hon. member for West Hastings had made. They have now had that opportunity, and not only have they not proved them, but the charges have been entirely disproved, and it is, I submit, best maintaining the honour and dignity and traditions of this parliament, when it is found that you are unable to prove charges, to admit in a free, ready and candid manner that you are glad to be able to report that having inquired into the matter you find nothing derogatory on the part of the minister affected, but that the charges made have not been substantiated. The fact is the honour, dignity and traditions of our parliament are so high that having searched through all the transactions of the years since this government has been in office hon. gentlemen opposite have only been able to find something of a character to which their suspicious minds have attached importance, and then they have not been able to prove the charges which they have made. I say, Mr. Speaker, it is best maintaining the dignity and honour and traditions of parliament to admit that candidly. This investigation has been made by a committee of this House appointed for the express purpose of taking evidence under oath in regard to the charges that have been made, and reporting upon the facts. That committee has reported, and the charges have been not only not proved, but entirely disproved. Let us, then, if we have regard for the honour, dignity and traditions of this House, hasten to support the committee and endorse its report.

Sir HENRY DRAYTON (West York): I had thought I would be able to get along without having to talk again to the House. So far as the speech of the hon. member for Dorchester (Mr. Cannon) is concerned, there is no occasion to rise. Admiring him, as we do, as a stump orator and barn-stormer, he gave a wonderful exhibition to-night, and we all enjoyed it; but so far as having anything to do with this case, there was nothing in his speech to answer. We had an appeal to party prejudice, yes, an appeal to party prejudice and passion worked up to the last degree in respect to what ought to be a judicial function of this parliament.

The Prime Minister started out better. He really had an argument this time, but the trouble was he lost sight of it very, very soon. He had a pretty good argument. He took just about the best argument he could take in view of the fact that neither he nor one of his colleagues, called as they were before that tribunal, would state to the committee that the matter of the Home Bank's condition was not discussed in cabinet. He was on safe ground, therefore, when he did not deal with the facts but gave us the only defence he really is in a position to make. He gave us the words, for example, of Sir John Thompson, and the words of Mr. Dalton McCarthy. If my right hon. friend had stopped there, it would have been a great deal better. If he had only had enough confidence in his own case and in his own argument to continue to appeal to reason instead of to passion, instead of appealing to party prejudice and the like, his subject would have been very much more befitting his high office. After all, is there any room for this kind of conduct in a Prime Minister who is really concerned with the honour and dignity of this House? Can nice questions of honour and dignity be dealt with in a flood of passion, loud language, and vituperation? It cannot be done at all. My right hon. friend would have done much better if he had rested upon his argument and had not made the declamation that he has made. Why, it is an admission that his case is such that it can only be answered by declamation, by stirring up prejudice. When declamation is attempted, it is an admission that the case cannot be answered on the facts. It is the old, old idea of doing everything that can be done to prevent anything like a decent consideration of what we have got before us, and it has gone on the whole time. We have had the same attacks made all the time. I would ask you, Mr. Speaker, did you ever know the chairman of a committee, a gentleman who in his position is supposed to act in a judicial manner on a question of this kind, come down here and fight through his report? That is what was done. Not only did he come down here and fight through his report, but he goes to the political lengths of making insinuations as to what would be done in other quarters. That is how this whole thing was done. Mr. Speaker, it is just as well sometimes that we keep our feet on the ground. That is not the kind of thing one expects, assuming that anything like fairness, propriety and a decent judicial attitude is to be maintained. I wonder what the right hon. the Prime Minister, the custodian of the honour and dignity of this House, thinks the actions of Sir Thomas White, what he did or did not do, have to do with the propriety of Mr. Murdock's conduct. Does my right hon. friend honestly think it has

anything to do with this case? He pounds his desk when that illustration is brought up but does he honestly think it has anything to do with this matter? He knows it has not. Does he honestly think that the question of the propriety of Mr. Murdock's conduct is met by making attacks on the Conservative party as to what happened at the time of the Canadian Pacific scandal and other matters? Does he honestly think that has anything to do with the rectitude of Mr. Murdock's conduct? This thing has degenerated into a farce, a perfect farce.

Mr. FINN: That is only one of the scandals.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: My hon. friend says "hear, hear." Well, he has done his best and he has had his party do their best to preclude anything like a proper consideration of this subject. Now I am going to get down to where my right hon. friend talks business. He actually did talk business in connection with one argument. That was to the effect that nothing could be done with a man's private business, even though he happened to be a minister of the Crown. That is the effect, I think, of my right hon. friend's argument in that particular matter. He pointed out in the commencement of his remarks that questions relating to the honour of members of the House of Commons could not and should not be considered in the light of a new disability. I hasten to agree with my right hon. friend. Apparently he thought the only thing that ought to be considered would be a violation of the law and an offence against the constitution or an offence against a minister's oath.

Mr. MACKENZIE KING: No, not against a minister's oath but where there is no precedent.

Sir HENRY DRAYTON: Well, I will drop the point as to a minister's oath and take the case of violation of a law or an offence under the constitution. My right hon. friend says nothing should be done unless some precedent can be given for it. Proceeding from that point he argues that you could not inquire into a man's private business. Well, I am going to give my right hon. friend some precedents, and I am going in the first instance to lay down one or two propositions. First I submit, and my right hon. friend can object to it if he wants to, that no minister ought to engage in transactions which may bring his private interest or his private sense of obligation into conflict with his public duty.

[Sir Henry Drayton.]

Mr. FINN: What is the ex-Minister of Finance quoting from now? Is he laying that down as a principle or is he giving a quotation?

Sir HENRY DRAYTON: If my hon. friend will allow me; just at the present moment I am putting this up to the Prime Minister. At present I am submitting a proposition.

Mr. FINN: What is the proposition?

Sir HENRY DRAYTON: I really think, Mr. Speaker, that the remarks of my hon. friend are just as much in point on the issue here as anything that has been said from that side. If he wants to go on interrupting it takes less time than some of those speeches.

Mr. FINN: Is the ex-Minister of Finance dealing with questions of law or of fact? If he is speaking as a lawyer let him keep close to his task. If he is speaking as ex-Finance Minister he is dealing with something he did not know very much about when he was in office.

Sir HENRY DRAYTON: Do you think, Mr. Speaker that we can get on without any more interruptions of this kind, or must we put up with them a little while longer. I am quite content to act in accordance with what the chair says.

Mr. FINN: That is what I should like.

Sir HENRY DRAYTON: Very well, we shall make another trial.

Mr. FINN: Try again.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): Order.

Sir HENRY DRAYTON: I repeat, no minister ought to engage in transactions which may bring his private interest or private sense of obligation into contact with his public duty. My right hon. friend will find no statute relating to that; he will find no law that I know of.

Mr. FINN: I should like to ask the hon. gentleman a question.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): An hon. member who has the floor cannot be questioned without his consent.

Sir HENRY DRAYTON: I am afraid the speech of the right hon. Prime Minister has had a bad effect upon the senior member for Halifax. As I was saying, I do not think my right hon. friend will find any statute for the proposition I spoke of a few minutes ago.

Mr. MACKENZIE KING: There is a precedent for that.

Sir HENRY DRAYTON: Yes there is a precedent for it.

Mr. MACKENZIE KING: I admit all the cases where precedents are given.

Sir HENRY DRAYTON: Furthermore, I maintain that a cabinet minister should not make use of any special confidential information that comes to him in his capacity as a minister of the Crown.

Mr. MACKENZIE KING: That is right.

Sir HENRY DRAYTON: The minister cannot use the information that comes to him in his position as a minister of the Crown for his own profit or advantage. My right hon. friend does not dispute the proposition that such is improper. I do not say it is illegal but it is improper for a minister of the Crown to make use of information which he gets as such for his personal profit or advantage. My right hon. friend will agree that that proposition is covered by precedent. I am going to proceed a little bit further in the matter of precedent.

Mr. MACKENZIE KING: Is it to a man's profit to recover his own coat after it has been stolen from him? Is there not a great distinction between possessing the thing that is one's own and going out to recover something one has never possessed before?

Sir HENRY DRAYTON: I am much obliged for my right hon. friend's query; it gives me an idea as to what is in his mind. His position is that there is a distinction between hanging on to your own, even if otherwise you would have lost it, in the one case as against getting a profit in the other case. That is exactly the same distinction my right hon. friend made before but I thought he had abandoned it.

I thought he had abandoned it when he allowed this committee to go, but my hon. friend sticks to it. I submit there is no more difference and no higher right of property in money deposited in a bank than there is in shares in a company. I do not think my right hon. friend would dispute that proposition. Further, if it be right to take advantage of information which you get for the purpose of saving money in a bank, it would also be right to take advantage of information you get to sell shares that you know are going to be worthless.

Mr. BUREAU: Where is the information got? That is the question.

Sir HENRY DRAYTON: My hon. friend has not been following this matter at all.

Mr. BUREAU: I have.

Sir HENRY DRAYTON: I think he has been listening to campaign speeches. There is not very much trouble about the question as to where the information was obtained. My hon. friend knows where it was got all right.

Mr. BUREAU: That is the gist of the whole thing.

Sir HENRY DRAYTON: If my hon. friend was at the cabinet meeting on the morning of the 15th he knows where the information was obtained. I do not know whether he was there. Yet again he says he could not tell. He could tell easily enough if nothing was said, and the answer could be given very, very quickly. In connection with this Marconi case which was referred to—

Mr. FINN: Will the hon. gentleman allow me to ask him a question?

Mr. MEIGHEN: I rise to a point of order. Are the proceedings of this House to be turned into a buffoonery, or have we any rights?

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I have called the hon. gentleman to order several times, and I hope he will respect the ruling of the Chair.

Mr. FINN: I certainly will, but my hon. friend the leader of the opposition has been turning the House into a burlesque.

Sir HENRY DRAYTON: In the Marconi case the charge was not disposed of at all in the way mentioned by my hon. friend. In that case there was an investigation as to whether or not a proper contract had been entered into with the post office authorities and the British Marconi Company, and the then Attorney General, Rufus Isaacs and the Master of Elibank, who are ministers interested with the Postmaster General, gave evidence before that committee, and it was found that in connection with that contract there was no impropriety and that the charges which had been made in connection with it were altogether wrong. Then it was stated in the House that six weeks after that contract was entered into shares were bought by the attorney general and by the Master of Elibank. The shares were bought long after the contract was entered into and the charge was made against them. What was the charge? Simply that the House is entitled to full information from its members. That was the whole charge, based upon the principle that as soon as anything comes up which calls in question in any degree at all

the propriety of the conduct of a member it is immediately his duty to give a full disclosure of everything that has to do with it. The opinion of the Conservatives, the opinion of the Liberals and the opinion of everybody in the House was that as a matter of common honesty, as a matter essential to the proper carrying on of public business, hon. members must be frank in their disclosures to the House and tell everything they know.

Mr. FINN: Why did not my right hon. friend—

The ACTING SPEAKER (Mr. Marcil, Bonaventure): Order, order.

Sir HENRY DRAYTON: We are to have another interruption.

Mr. FINN: Why did not my right hon. friend—

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I would remind the hon. the senior member for Halifax that I have called him to order several times, and if he persists in these interruptions I will have to apply the rule.

Mr. FINN: I can assure the hon. Speaker that I will abide by the rules of the House.

Sir HENRY DRAYTON: It was the absolute duty of all members to make full and free and frank disclosures of everything that had any connection with any matter that had to do with their personal honour or their conduct in the House, and although those shares were bought six weeks afterwards, and although the whole of that inquiry had to do with private business, the matter was dropped on the ministers making the fullest and most ample apologies, the ministers saying that they were wrong and that that statement had to be made to the House. Does my hon. friend want any more precedents. He can find them here. I can give them to him at great length if he desires to have them, but he has already said that there was a precedent for the statement I have made.

Mr. MACKENZIE KING: The hon. member is talking about the matter of speculating.

Sir HENRY DRAYTON: The right hon. Prime Minister is entirely wrong. That was not the offence. It was not what was considered in this case.

Mr. ARCHAMBAULT: Will the hon. member allow a question?

Sir HENRY DRAYTON: Certainly.

[Sir Henry Drayton.]

Mr. ARCHAMBAULT: Did I hear the hon. member say there was an inquiry into the action of the attorney general, Rufus Isaacs and the other minister?

Sir HENRY DRAYTON: No I did not say so. I said there was an inquiry whether the original contract was properly let or not, and the matter came up incidentally. Here is the resolution, and the House will see how absurd the proposition is.

Mr. MACKENZIE KING: I was speaking about precedents for inquiries, and now the hon. member says there are no precedents.

Sir HENRY DRAYTON: I am speaking about precedents which have to do with decency and the very matter my hon. friend was speaking about, matters which have to do with the decorum of the House. They need not be sent to a committee for inquiry. They can be dealt with by the House. The principles are the same. There is no use drawing a red herring over the trail. The principles are the same whether they are considered in the House, as they were in this case altogether, or whether they are considered in committee first and in the House afterwards.

Mr. MACKENZIE KING: Why did not the hon. member adopt that method, instead of the process of a parliamentary inquiry?

Sir HENRY DRAYTON: I do not know that there is very much difference.

Mr. ARCHAMBAULT: Yes.

Mr. BUREAU: What were they accused of?

Mr. ARCHAMBAULT: The motion of Lord Cave was this:

> That this House regrets the transactions of certain of His Majesty's ministers in the shares of the Marconi Company of America.

This motion was rejected. Is that not the fact?

Sir HENRY DRAYTON: I think we had better go on. The motion was a motion regretting the purchase of these shares, as I say six weeks after the contract. My hon. friend read that and stopped. There was absolutely nothing to show impropriety at all. The only thing shown in all these hundreds of pages is that there was not a frank, open disclosure to the House of the facts. My hon. friend stopped at a convenient point.

Mr. ARCHAMBAULT: No.

Sir HENRY DRAYTON: The resolution goes on:

And the want of frankness displayed by ministers in their communications on the subject to the House.

Mr. ARCHAMBAULT: And it was rejected.

Sir HENRY DRAYTON: My hon. friend is, I think, wrong. The apology of the ministers was taken and, perhaps, I had better read the apology. We had better see what these accused ministers themselves thought just as to that one charge of lack of frankness. This is what the Attorney General said:

Let me not formulate rules, because nothing is more dangerous in cases of this character. Let me state the rule which I think is the one which I have been most in danger in breaking in reference to this matter. I should not state it as the hon. and learned gentleman stated it. I should not state it in those terms. I think, as I shall state it, that I shall command the assent of all members of this House, and I think it imposes as high a test as you can impose. I certainly would say, first, not by any means exhaustive, that no minister should use any information which he obtains as a minister for the purpose of making private profit or of furthering his private interests.

I think my hon. friend agreed with that proposition or one very similar to it. Then again he goes on. I do not read solidly through, but he lays down this principle:

A minister should not place himself in a position which might reasonably expose him, in the opinion of fair-minded men, to the suspicion of corruption, even though his conscience is clear that in taking that position he is acting honestly and without a corrupt motive.

Mr. ARCHAMBAULT: Everybody admits that.

Mr. HEALY: Where is the corrupt motive?

Sir HENRY DRAYTON: What a trifling admission? We have the query from the hon. member for North Essex: Where is the corrupt motive?

Mr. ARCHAMBAULT: In this case?

Sir HENRY DRAYTON: I have just pointed out that it is not necessary to have any corrupt motives. The question of corrupt motives has nothing to do with the matter.

Mr. HEALY: Why refer to it?

Sir HENRY DRAYTON: I know my hon. friend is hard to please. I am reading from a report that goes this length, and hon. gentlemen cannot get it into their heads that we are not treating this whole matter as if it was a criminal case, as if Mr. Murdock ought to be behind the bars. This is no criminal charge at all. The whole question is whether or not, according to the specified traditions of parliamentary life, this conduct is becoming or not. We can have unbecoming conduct without the slightest corrupt motive. I have never for one minute urged that you could not, but I am pointing out how different things are sometimes. This is what the other person charged says: He does not want any act to be turned up such as the chief custodian of the honour of this House wants turned up, before he knows that the honour and dignity of this parliament is affected. He says this:

A minister should not place himself in a position which might reasonably expose him, in the opinion of fair-minded men, to the suspicion of corruption, even though his conscience is clear that in taking that position he is acting honestly and without a corrupt motive. I have formulated that rule so that I might place it as the highest test that a minister could impose upon himself.

That is what one defendant in this case says his standard is.

Mr. ARCHAMBAULT: I cannot understand how my hon. friend can compare this case with the Marconi case. Is it not a fact that in the Marconi case Mr. Rufus Issacs and Mr. Lloyd George had bought shares of the Marconi Company of America which was a subsidiary company to the Marconi Company of England?

Sir HENRY DRAYTON: No, entirely separate.

Mr. ARCHAMBAULT: And the government was entering into a contract with the Marconi Company of England. Is that not a fact?

Sir HENRY DRAYTON: No, my hon. friend is wrong. In the first instance the contract with the British Post Office was made six weeks before this purchase of shares was made.

Mr. ARCHAMBAULT: Not completed.

Sir HENRY DRAYTON: No.

Mr. ARCHAMBAULT: If my hon. friend will look at the report he will find that it was not completed.

Sir HENRY DRAYTON: This is the evidence of the attorney general. Besides that it was also shown that they were separate and distinct corporations.

Mr. ARCHAMBAULT: Yes, but subsidiary.

Sir HENRY DRAYTON: No, they were not subsidiary.

Mr. ARCHAMBAULT: The progress of the American company was in relation of the progress of the English company.

Sir HENRY DRAYTON: There is no doubt that if one succeeds the other is likely to make a success. I will agree with that at once. I would also point out though that it was shown and admitted by everybody against the attorney general and the Master of Elibank that there was nothing wrong with that purchase. What was being urged against them all the time was that they had not made an honest disclosure to the House. If there is any doubt about that, I will go back and read the statements of the mover. Take for example at page 407:

In the second place—

And this is what was pressed more than the first a good deal.

—they showed a lamentable lack of candour in their dealings not only with this House, but with the public.

Mr. Rufus Isaacs says exactly the same thing.

Mr. ARCHAMBAULT: I heard my hon. friend state that the shares were bought after the contract had been entered into. If my hon. friend will look into the report he has now, he will find out that the tender was accepted from the Marconi English Company on the 7th March, 1911; that the contract was completed in July of the same year, and that on the 9th March, two days after the contract was accepted by the British government, Mr. Godfrey Isaacs sold shares to Mr. Rufus Isaacs, his brother, and Mr. Lloyd George.

Sir HENRY DRAYTON: The evidence of Rufus Isaacs is at page 435 where he says that he purchased the American Marconi shares six weeks after the British Marconi tender had been accepted.

Mr. ARCHAMBAULT: But the contract was only completed in July.

Sir HENRY DRAYTON: I do not know about that.

Mr. ARCHAMBAULT: That is very important.

Sir HENRY DRAYTON: The tender was accepted. The contract was merely a matter of form. If the Prime Minister is correct in saying that the private affairs of members cannot be considered, he is absolutely denying the efficacy of the principles he believes in.

Mr. MACKENZIE KING: Does the hon. member believe that the obligation not to make private gain carries with it the obligation to incur personal loss?

[Mr. Archambault.]

Sir HENRY DRAYTON: It involves this necessity, that a minister cannot escape personal loss by reason of the obligation. It certainly does that. For the life of me I cannot see any difference between a member making $500 out of the knowledge that he has gained as a minister, and his using knowledge gained in that capacity for the purpose of saving a loss of $500. Either way it is exactly the same. And if the Prime Minister is right in saying that you cannot consider the private transactions of a member there is no good in having any of these principles at all.

Mr. MACKENZIE KING: I never said that; I simply quoted Sir John Thompson and Mr. McCarthy.

Sir HENRY DRAYTON: Yes, but the Prime Minister was quoting for a purpose. He attacked the mover of this resolution for bringing the matter up and going into the withdrawal by the Minister of Labour of his deposit from the Home Bank, and he certainly made the point that we had no right to consider any member's private affairs. Well, if we have not that right there is no use in having these rules, and without such rules any one can speculate with information he obtains in his capacity as a minister. If we have not these rules budgets may be anticipated and all sorts of improprieties may occur.

Mr. MACKENZIE KING: I implied nothing of the sort.

Sir HENRY DRAYTON: If the Prime Minister says he does not say that, he is in effect withdrawing his argument against taking the matter up on the ground that it is an inquiry into the private business of the Minister of Labour. He cannot hold both views. I agree that the position of the Prime Minister is a difficult one; as pointed out by Mr. Asquith, in similar circumstances, he is in a peculiar degree the keeper of the conscience and the standards of honour of the House. Does he not really think that it would be very much better if he would even at this late date counsel his colleague to admit what the facts are and to say that so far as he was concerned he did not think they amounted to anything? Would it not be better to do that than for the government to put itself in this position? The government has to do certain things with this coat of whitewash; they will lay down precedents with it. Let us see what kind of precedents they will establish for the future with this coat of whitewash.

Mr. ARCHAMBAULT: We will buy it from Mr. Ballantyne.

Sir HENRY DRAYTON: The money was returned. Why? It was returned after a threat of legal proceedings, and it is idle to suggest that such a threat had not to do with it. No one will believe it except perhaps a very close political friend who might have some object in believing it. No one would believe that the man that took the trouble to go through all that has been gone through here did so just for the purpose, months and months afterwards, of wholly voluntarily returning the money. It was returned because a demand was made; and what was the justification for that demand?

Mr. MACKENZIE KING: It was not returned for that reason at all.

Sir HENRY DRAYTON: May I point out that the Prime Minister is not asking a question but is attempting to make a speech? I do not intend to yield the floor.

Mr. MACKENZIE KING: The hon. member was making a statement which was untrue.

Sir HENRY DRAYTON: The Prime Minister has no right to say that.

Mr. MACKENZIE KING: I have a right to say it.

Sir HENRY DRAYTON: I have every right to argue what every man with common sense knows the facts to be.

Mr. MACKENZIE KING: The hon. member can make any argument he likes, but he must not misrepresent things.

Sir HENRY DRAYTON: My right hon. friend has no right to say that I am making a misstatement; I can say a good deal in reference to misstatements.

Mr. MACKENZIE KING: Say all you wish to.

Sir HENRY DRAYTON: I do not believe in that sort of nonsense.

Mr. MACKENZIE KING: I do not want my hon. friend to make any misstatements.

Sir HENRY DRAYTON: What is the Prime Minister doing on the floor at the present time while I am addressing the House; is he copying his supporters in the back seats?

Mr. ARCHAMBAULT: Come back to earth.

Sir HENRY DRAYTON: Why was that money returned, I ask?

Mr. MACKENZIE KING: From a high sense of honour and an obligation on the part of the minister to his colleagues.

An hon. MEMBER: It was returned because he was honest.

Sir HENRY DRAYTON: That is why he took it originally of course—because he was honest.

Mr. MACKENZIE KING: The money was returned from a sense of honour which the hon. gentleman seems unable to appreciate.

Sir HENRY DRAYTON: Am I to be bombarded with interruptions from all quarters? There seems to be a private caucus on the opposite side, but I do not blame hon. gentlemen for people in their position are usually perturbed. I ask, why was the demand made for the return of the money? The liquidator is not interested in the Minister of Labour's honour as a member of this House; he is not interested in that question at all. The liquidator is interested in seeing that there shall be no offences in the way of frauds and undue preferences. That is what he is interested in. Just see what kind of precedent this government is going to make: It is compatible with the dignity and the honour of parliament for members to be guilty of fraudulent and unjust preferences!

Mr. MACKENZIE KING: May I ask my hon. friend whether he thinks I should be expected to sit here and listen without protest to accusations against a colleague who is unable to be present by reason of the action of my hon. friend's party, when those accusations are entirely false?

Sir HENRY DRAYTON: The Prime Minister knows he has no right to make that statement; if the rules are fair and equitable they should apply to the government just as well as to the opposition. But why did not the Prime Minister get up when he was a witness and give the kind of evidence he wants to give now? Why did he not when he was in the box swear as he could have sworn that there was not one thing said about the Home Bank at that meeting?

Mr. MACKENZIE KING: I answered every question asked me and hon. gentlemen opposite had all the privileges they could desire in the matter of examination.

Sir HENRY DRAYTON: We have heard a good deal about the ruling of the chairman. Do we want to go back to that ruling? Was the ruling a farce entirely, and were we

to pay no attention to it? No; this was to be a sanctuary; there was not to be one word said about it. And now we are taunted because we did not ask questions on the point.

Mr. ARCHAMBAULT: Does the hon. gentleman doubt the soundness of Chief Justice McKeown's own ruling?

Sir HENRY DRAYTON: I have no doubt that my hon. friend thinks he is making a valuable suggestion.

Mr. ARCHAMBAULT: I am not suggesting anything; I am asking a question.

Sir HENRY DRAYTON: That is a question that would never have occurred to me. But the Prime Minister is asking why we did not put these very questions that were ruled out of order, and when he does so the matter becomes of some importance. The Prime Minister says here, when he is not under oath, things that he would not say when he was in the box.

Some hon. MEMBERS: Order.

Mr. BUREAU: I rise to a point of order The hon. gentleman has no right to say that when the Prime Minister gets up in this House and makes a statement he is saying what is false.

Sir HENRY DRAYTON: I did not say that.

Mr. BUREAU: That the right hon. gentleman would not say under oath what he says in the House.

Sir HENRY DRAYTON: Hear, hear.

Mr. BUREAU: That means that you are lying when you say in the House what you refuse to say under oath.

Some hon. MEMBERS: Withdraw.

Sir HENRY DRAYTON: Mr. Speaker, I submit that what I stated is absolutely in order. I did not say what the hon. gentleman imputes to me. I simply stated what the fact is that the statement made here to-night, if I understand my right hon. friend right, is not to be found in his evidence.

Mr. BUREAU: That is not what you said.

Mr. MACKENZIE KING: Let me draw my hon. friend's attention to the fact that he is speaking about the question of Mr. Murdock returning the money. That was not a matter that had anything to do with cabinet proceedings at all. No question of cabinet privilege was ever urged in connection with it. That is the question which he said I refused to say anything about. I was not asked the question. Had I been asked I would have answered that the conversation I had with Mr. Murdock on that subject was not a conversation in the cabinet at all; he was giving me his own reasons for what he did.

Sir HENRY DRAYTON: Supposing we start again—

Mr. BUREAU: I want a ruling on the point of order.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): The hon. member for West York has put the point of order beyond dispute; he has given an explanation which I consider is satisfactory.

Mr. MEIGHEN: It might be a point of order also to inquire how it is that the Prime Minister is always privileged to assert an untruth against the member for West York.

Mr. MACKENZIE KING: I take exception to that statement, Mr. Speaker. The right hon. leader of the opposition has no right to say that I ever stated an untruth about the member for West York.

Mr. MEIGHEN: Apparently my right hon. friend is not able to understand English at this late hour. What I stated was that the Prime Minister was continually privileged to assert an untruth against the member for West York.

Mr. MACKENZIE KING: He has never asserted an untruth.

Mr. MEIGHEN: He attributed an untruth to the hon. member.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I think if the right hon. Prime Minister insists, the right hon. leader of the opposition should withdraw that assertion.

Mr. MEIGHEN: I have nothing to withdraw. I have stated what is absolutely correct, that the Prime Minister to-night has been repeatedly asserting that the member for West York stated an untruth.

Mr. MACKENZIE KING: That is different.

Mr. MEIGHEN: That is exactly what I said at the beginning.

Mr. MACKENZIE KING: It is another twist and turn of my right hon. friend.

Mr. MEIGHEN: It is no twist or turn. I said the Prime Minister was asserting an untruth against the hon. member for West York.

Sir HENRY DRAYTON: Mr. Speaker—

Some hon. MEMBERS: Withdraw. Question.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): Order. We are not able to carry on the debate with these interruptions.

Mr. CAHILL: Order.

Sir HENRY DRAYTON: Mr. Speaker, I object to the remark of the member for Pontiac. I am subject to the rule of the Chair.

Mr. CAHILL: You seem to have to be called to order quite often.

Sir HENRY DRAYTON: My hon. friend has not any right to say that. I have not so far been called to order.

Mr. CAHILL: You withdrew just now.

Sir HENRY DRAYTON: No. Now, Mr. Speaker, I am going to point out to my right hon. friend that he is making what I do not think is a very safe precedent for parliament to follow. He asserts that it is quite right for ministers to obtain a fraudulent preference. The report itself covers that.

Mr. MACKENZIE KING: Is my hon. friend making that as statement or as argument?

Sir HENRY DRAYTON: I am making it as argument, but I am also making it as statement.

Mr. MACKENZIE KING: My hon. friend may argue as much as he likes, but I ask him to be careful in the statements he makes.

Sir HENRY DRAYTON: What is my right hon. friend threatening about now? What is this nonsense? What is the trouble with my right hon. friend?

Mr. MACKENZIE KING: I do not intend to sit here and have my hon. friend attribute fraud or anything of the kind to any action of mine.

Sir HENRY DRAYTON: I may have to.

Mr. MACKENZIE KING: He may argue as much as he likes, but any time he makes a statement of that kind I shall not let it pass.

Sir HENRY DRAYTON: I point out to my right hon. friend that in connection with this very report he will find the following:

> The committee finds that Honourable James Murdock did nothing in connection with the withdrawal of such money from the Home Bank contrary to his obligation as a minister of the Crown, or in derogation of his office and the honour, dignity, and traditions of parliament.

That is the report. Now, the money was paid back after demand had been made for its return as money received under circumstances which made it a fraudulent preference. Does my right hon. friend realize that he is asking this House to set the seal of approval upon that sort of thing? We might just as well know what we are doing. I want my right hon. friend to think this over. I am addressing myself to him, not because I suppose for one minute that he is in a frame of mind to listen to me, Mr. Speaker, but because, after all, he is the chief repository of the dignities and traditions of parliament. I am asking him to consider whether he thinks the statement given by his colleague the hon. Mr. Murdock to the newspapers "that the withdrawal of the money was made in the ordinary course of business for the purpose of making a payment on a house" was correct? My right hon. friend knows it was not correct; and Mr. Murdock's own evidence shows that it was not correct. Does my right hon. friend think that that is not an offence within the principles laid down in the Marconi case? There the question was not false information, it was the withholding of information. Here we have information which admittedly was false.

1 a.m.

Mr. CANNON: My hon. friend, having read the proceedings, knows that the question was as to whether the persons concerned used information they had received as ministers to make money by speculating on the stock market. It was not a question of withholding information.

Sir HENRY DRAYTON: My hon. friend is quite wrong. There were the two charges, but most of the discussion was on the question of withholding information. The charge of corruption was very quickly dropped and apologized for.

Mr. ARCHAMBAULT: If my hon. friend will look at page 398 of that report he will find that the accusation was the following:

> That the ministers had become interested in a company, the profits of which undoubtedly depended upon the conclusion and the confirmation of the contract that was then being negotiated.

And at page 391 Lord Cave moved:

> That this House regrets the transactions of certain of His Majesty's ministers in the shares of the Marconi Company of America.

Surely my hon. friend will not maintain that it was only an accusation of the withholding of information.

Sir HENRY DRAYTON: I never said so.

Mr. ARCHAMBAULT: Oh yes.

Sir HENRY DRAYTON: No, my hon. friend is wrong. He is awfully excited tonight or he would not be making such a statement.

Mr. ARCHAMBAULT: I am not excited, I am as calm as my hon. friend.

Sir HENRY DRAYTON: The charge was just lack of frankness. There was no charge of misinformation. I want my right hon. friend to consider one or two other things.

Mr. MARTELL: Does my hon. friend think that Hon. James Murdock violated the dignity of parliament in greater degree than did Mr. Wigmore when he was Minister of Customs and wrote a letter soliciting business for his own firm?

Sir HENRY DRAYTON: I do not remember that there was any whitewashing business in connection with that case.

Mr. MARTELL: There was whitewashing.

Sir HENRY DRAYTON: I do not remember any whitewashing at all.

Mr. ARCHAMBAULT: Do you remember the purchase of Sherwin-Williams paints?

Some hon. MEMBERS: Question, question.

Sir HENRY DRAYTON: I wonder do hon. members opposite think they are advancing the proper consideration of this matter by the tactics to which they are resorting. I admit that I like to hear their voices now and again, but I question whether we shall get very far if these interruptions are persisted in. If I had been left alone I should have finished long ago.

Mr. POWER: We like to hear your voice.

Sir HENRY DRAYTON: I suppose I might just as well wait until the interruptions subside.

Some hon. MEMBERS: Question, question.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I must remind hon. gentlemen again that the debate cannot be carried on unless these interruptions are discontinued.

Sir HENRY DRAYTON: I first pointed out the facts in regard to the matter of fraudulent preference. I then pointed out the misinformation given to the newspapers and absolutely admitted. That is something we are asked to set the seal of our approval on. We are asked to approve of the giving of a false statement to the newspapers in connection with something that is a matter of public record. Then I come down to the question of the honour of parliament and I point out when the withdrawal of this money really took place. The meeting of the cabinet was on the 15th August and the cheque was drawn on the 14th.

Mr. ARCHAMBAULT: That was explained.

Sir HENRY DRAYTON: That is a first rate way of showing, on the face of it, that the cheque was signed before the cabinet meeting was held.

Mr. ARCHAMBAULT: That was all explained.

Sir HENRY DRAYTON: Will my hon. friend please let me continue; I will deal with that point; I am trying to wind up.

Some hon. MEMBERS: Hear, hear.

Sir HENRY DRAYTON: I am glad to have my hon. friends feeling so pleasant. But let me continue. That was before the cabinet meeting. The next thing we have in connection with this matter is the manner in which the money is handled, and the difference of name. It is quite true that after the charges were made and practically known the minister admitted the date of the 14th August was a mistake. But I will put this one question: Was anything left undone that could be done in order to hide the transaction, and do we really want to act from partisan motives? Do the government or the House want to put the seal of their approval on that sort of thing?

Hon. JACQUES BUREAU (Minister of Customs): As a member of the committee I desire to add one word to what has already been said. First of all I take exception to the statement of my hon. friend (Sir Henry Drayton) in which he tries to impute certain motives to the chairman of the committee. It was my privilege to attend the meetings of the committee and to observe how the proceedings were conducted, and I must confess that I never attended a committee where the chairman was fairer than my hon. friend (Mr. Archambault). If I may be permitted to use the expression of a former Prime Minister the chairman was a little more than fair to the accusers. The ex-Minister of Finance

seems to think it strange that the chairman of the committee should defend his report. Surely my hon. friend has been a member of this House long enough to know that when the chairman of a committee presents a report from that body he generally explains its recommendations, and the hon. member for Chambly and Vercheres did so in a very fair and impartial manner. The ex-Minister of Finance is a very astute man. He must consider his cause rather desperate when he resorts to the so-called arguments that he used to-night in answer to my hon. friend from Dorchester (Mr. Cannon). The latter was absolutely right both in his facts and in his law. But the ex-Minister of Finance characterized those statements as "barnyard talk." Surely my hon. friend forgot himself. Such language as that is unworthy of his position in the House and the place which he formerly occupied in the cabinet.

Sir HENRY DRAYTON: Barn storming.

Mr. BUREAU: He charged the Prime Minister with "long loud language, declamation and vituperation". The defence by the Prime Minister of one of his colleagues is characterized as vituperation; and the same with every one of the arguments of the leader of the government. Well, if that is vituperation I shall have to forget my English.

Coming down to facts the Minister of Labour is accused of having taken advantage of his position for private gain which involved loss to others. What are the circumstances? He had drawn his indemnity, and he is not overwhelmed with the goods of this earth. In that position he is like myself. He had deposited this money in the Home Bank, but he learned from a colleague in the House, Mr. Gordon, that the institution was on the eve of failure and he withdrew the money. The hon. member for Dorchester rightly asked the question, and I repeat it: What man will stand up in this House and conscientiously say that if he had been in that position he would not have drawn that money. I shall not go to hon. gentlemen opposite for a standard of honesty but I freely say that I would have done it. I am not ashamed to say that I would have done it, and any man with a heart in his body would have done the same. The Minister of Labour is a man with a family, he has children to protect, and in drawing this money he was defrauding nobody. The bank was only the custodian of money which belonged to James Murdock who saw fit to take this money out; he owed it to his family to do so. I ask what is wrong with that proceeding? Every other man would have done the same. But now that the thing is over how easy it is to be good! No hon. gentleman opposite would get up and say he would do that and yet in so saying he would be guilty of hypocrisy.

My hon. friends opposite reproach him with having paid back the money. Well, he went one better than I would because I would have waited for the verdict of the court before I would have done so. By what right did he pay it back? Naturally the liquidator said, "Gentleman, pay back." In his own interest and to show how clever he was, Mr. Clarkson was willing to take money in any way he could get it, to recoup the depositor. I said to an hon. member this afternoon, "I am not sure that Mr. Clarkson will get judgment against any of the depositors." That money belonged to the depositors. It was in the bank for safekeeping, and there was no obligation, legal or otherwise, to pay it to the liquidator.

Now my hon. friend terms withdrawing the money a fraudulent preference. Well, I think that is pretty hard language. He did not mean it. He was a little fatigued by the interruptions, and he went further than he would go if he were cool and talking business. He argued that the minister was using information obtained as a minister to get a fraudulent preference. I claim he did not get a fraudulent preference. There was no preference. He was handling his own money. He went and got the money that belonged to him. There is a rule of this House which provides that when a member gives his word in the House it must be taken. Are we to suppose that the moment a member comes within the doors he changes his conscience, changes his mentality and becomes a better man, and that we have to take his word just because he has passed inside the door of the chamber? The Minister of Labour was on the stand. He was asked a question. Hon. members are trying by all sorts of means to establish the fact that he took the money out of the bank because he obtained the information in council in the morning. My hon. friend from Welland (Mr. German) read from this evidence this afternoon, but I think it is well to repeat it. In the printed evidence I find the following:

Q. And after getting information from Mr. Gordon did you get any further information?—A. No.
Q. You say "No"?—A. "No."

There is no equivocation about that, and that question is asked by my hon. friend, the guardian of the honour of this House, the hon. member for West Hastings, who is trying to get the admission from him, that he used

the information he got as a cabinet minister to withdraw that money. Then the examination continues:

Q. Of any kind or description—or anywhere?—A. Not that would form my opinion in regard to the matter.
Q. It may not have formed your opinion, but did you get any other information?—A. No one else had discussed that matter with me at all.
Q. Had you any better knowledge on the 15th as to the condition of the bank than you had on the 9th?—A. I would say not.

What information could he get from council that he did not have from the Deputy Speaker? None. My hon. friend says he paid back the money and therefore he pleaded guilty. That is poor argument. I would not have paid it back until the court said that I had to, and I do not know that Mr. Clarkson had any right to ask it. It may have been an excess of zeal on his part. That is his business. I do not think any man would pay back the money unless the judgment of the court went against him, except the Minister of Labour, who, as the Prime Minister says, in a sense of honour and out of consideration for his colleagues, thought he would pay it back, and did so. Now when a man does the right thing, an honourable thing—and I doubt very much whether he could be compelled to pay back—he is going to be charged with pleading guilty to an accusation of fraudulent preference on account of the information he got from council. My hon. leader quoted the words we see on the coat of arms, Honi soit, qui mal y pense. On this side of the House, among my friends from Quebec we have an old proverb, "To the pure all things are pure." But we have another motto: Evil be to him who evil thinks. My hon. friend must think much evil.

Referring to the Rufus Isaacs case, I may say that gentleman had a brother called Godfrey Isaacs who formed the Marconi Company in England at the same time they were forming a company in America. They said these were not subsidiary companies. They may not have been. They had the same objects and were formed for the same purpose. Godfrey went across the ocean and bought some of the American company's stock because he thought in view of the contracts being obtained by the English company, the other company would naturally do a good business. They went in for the purpose of making money—speculating. The government were giving contracts to the English company or about to give contracts to them. That was the information obtained in council. They did not go into the thing to get what belonged to them. That case does not apply to the present case. Here is a case of a man who goes to the bank and deposits his money.

[Mr. Bureau.]

He has never parted with the title. He did not deposit his money for speculation. He did not make any profit when he drew it out, or cause anybody to lose anything. That is the whole case. Now because this man acted like any other man would have done, the hon. member for West Hastings, who is the self-constituted guardian of the honour of the House, proposes that we shall say to Mr. Murdock, "Your political life is over, you will have to get out of the House, because you have acted as an honest straightforward loving father and have done what a good citizen would have done under similar circumstances." That is my way of looking at it. The right hon. leader of the opposition was asking if we were going to turn parliament into a burlesque show. My hon. friends have been doing much in that direction by their efforts to blacken a white man. My hon. friends spoke of whitewash. It is not a question of whitewash. It is a question of justice. It is a question of showing that this House and the committees thereof are not constituted for the purpose of singling out one man on suspicion—not even a suspicion—and making him the goat for political advantage at the cost of his future. I do not think that is a fair way of dealing with the matter. I think my hon. friend (Sir Henry Drayton) saw he had a bad case. As the Prime Minister said, when the Minister of Labour came before the committee and gave his evidence contradicting the charge, it would have been more dignified for hon. members who were making the accusation to have said, "Well we wanted to protect the House and the public from any suspicion and we are now satisfied." But when hon. members come to speak of a whitewash, I do not know how to express myself. If rendering justice is whitewashing, and if rendering of justice cannot be understood by my hon. friends opposite, then let us call it a whitewash. In the case of every judgment which is rendered declaring a man not guilty we might, according to the hon. gentleman's logic, call it a whitewash. A peculiar theory has been advanced by my hon. friend from West Hastings in this matter. I was in attendance at the committee when he put forward a theory. It was to this effect: "Mr. Murdock, we have a suspicion against you. It is up to you to show you are innocent." That is practically what the hon. member said.

Mr. PORTER: I beg pardon I never said or suggested such a thing in committee. The minister cannot find that anywhere in the evidence, and I defy him to do it.

Mr. BUREAU: I may not use the exact words, but the argument made by the accusers was that it simulated a criminal proceeding.

Mr. PORTER: I did not say that even.

Mr. BUREAU: That was the position taken by the accusers.

Mr. PORTER: Not a word. Show me the evidence. Read it.

Mr. BUREAU: I am not going to read the evidence.

Mr. PORTER: No, the minister cannot.

Mr. BUREAU: But I am going to judge by my understanding. Persecution was the order of the day in all these proceedings, and the anxiety to find the minister guilty was oozing out of every one of these gentlemen. It was not a prosecution, it was a persecution and it was a wilful, malicious prosecution, trying to make out a case when they knew they had none. That is the result of the evidence and of the arguments to which I have listened. Where, in a British country, Mr. Speaker, have you seen a man taken up and told: I charge you with being a thief; now come on and prove that you are not. If my hon. friends want to keep up the dignity of the House, they had better start by showing that they are fair-minded men themselves, and that they, first, are going to observe the rules that will maintain the dignity of this House and of the members thereof. I do not think that men have any right to come here under the cover of upholding the dignity of the House, the standard that we ought to live up to, and pick out one man and persecute him. I do not believe that when I go out of this chamber I am a worse man than when I am in it, and I believe if we were to investigate every action that is done by a man, many members would be out of this House. The hon. member for Hants (Mr. Martell) cited the case of a Mr. Wigmore who took advantage of his position to seek business. That was one case where the hon. member for West Hastings ought to have called the attention of his leader to the matter and asked that such things should not happen in the House of Commons, because it was against the dignity of the House. There are other men who have been guilty of offences in the transaction of public affairs, who have sat in this House and who are sitting in this House.

Mr. MARTELL: What about Sir George Foster?

Mr. BUREAU: I am not talking about him, but I am talking about a man who had to leave this House and who is now again in this House.

An hon. MEMBER: Denounce him.

Mr. BUREAU: I am not going to denounce anybody. The question is whether we are going to submit to malicious argument, by gentlemen who are endeavouring to convict a man who is not guilty. I sat in that committee; I listened to the evidence, and there was a denial of the matter by Mr. Murdock. The only trouble is that these gentlemen who tried the case would like to call Mr. Murdock a perjurer and they dare not do so. The answer he gave when he was asked if there was any other information is unequivocal. He said that he had received no further information from any other source. These gentlemen would like to say that he is a perjurer; but they dare not say that because James Murdock is too well known throughout the country, and the people know that he would not perjure himself. But these gentlemen desire to take a roundabout way of saying that. If what they argue were the case, two members of parliament would not be able to speak together, or two members of the cabinet would not be able to consult one another about private business without trespassing on the dignity of parliament. Such arguments are childish. If the hon. member for Dorchester, (Mr. Cannon), as the ex-Minister of Finance (Sir Henry Drayton) has said, has spoken barnyard stuff, I say that this is childish stuff that is being spoken, and if I were allowed by the rules of the House, I would say in some cases, dishonest stuff, and wilfully dishonest, but I am not allowed to say it.

Mr. MEIGHEN: I would not be justified in remaining silent when such language is used in this House. This is a flagrant breach of the rules of debate. I have never witnessed such disgraceful conduct in parliament as I have on the part of some hon. gentlemen during this debate. If an hon. member is to be allowed to say that but for the rules he would refer to the conduct of hon. members of this House as dishonest, then we might as well abandon all rules and allow parliament to be a mere burlesque.

Mr. BUREAU: I never said that. I said "statements," not "conduct." There is a difference. If I could by a circumlocution use the word "dishonest," I would repeat it. I have nothing to take back as far as that goes.

Some hon. MEMBERS: Order.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): The rule is that an hon. member must not endeavour to say indirectly what he has no right to say directly. In the present case, I understand the minister is giving an explanation which I trust is satisfactory.

Mr. MEIGHEN: No. He has made no explanation whatever. The rule might as well be abandoned.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I understand that the Minister of Customs and Excise said that he had no intention of referring to the conduct of hon. members as being dishonest. He said that what he referred to as dishonest was statements.

Mr. BUREAU: My right hon. friend called me to order because he said I had charged hon. members on the other side with dishonest conduct. When I used the word "dishonest," I said I am very sorry it was not parliamentary; that I would like to use it, but I could not. Therefore, if I used it, I would take it back. As far as the word "conduct" is concerned, I used the word "statements."

Mr. MEIGHEN: Might I ask how long this is to go on?

The ACTING SPEAKER (Mr. Marcil, Bonaventure): I understand it to be merely an explanation. The hon. member is withdrawing the word.

Mr. MEIGHEN: He is substituting the word "statements" for "conduct."

Mr. BUREAU: I never said "conduct."

Mr. MEIGHEN: The Minister used the word "dishonest."

Mr. BUREAU: I used it, but I take it back. With my limited knowledge of the English language, there was no other word at my command which I could use.

Certaines de mes expressions ne sont peut-être pas parlementaires, lorsque je parle en anglais. Eussé-je employé ma langue maternelle, j'aurais pu énoncer clairement toute ma pensée; que les subterfuges, les sophismes et les insinuations dissimulées ne constituent pas un plaidoyer juste et raisonnable.

No charge was proven. A malicious accusation has been brought and they want us to convict a man on a mere suspicion. It is not circumstantial evidence that they bring, but mere suspicion, and as long as I shall sit in this House or on that committee, I may err,—and I am willing to own up to my errors—but I will never commit the crime of trying to induce my fellow members to condemn a man who is innocent.

Mr. E. GUSS PORTER (West Hastings): Mr. Speaker, if I may be allowed just for a few moments to close the debate, it is not my intention to argue the case at any length; but some statements have been made during this debate that I think it only fair and right that I should have an opportunity and should take the advantage of explaining. The Minister of Customs and Excise (Mr. Bureau) was a member of the committee investigating this matter, and he was exceedingly anxious, if one may judge from his statements made in committee, that the investigation should be carried on in a dignified manner, just such a dignified manner as he has exhibited in the House to-night. The words he used as reported on page 18 of the inquiry are:

> Hon. Mr. Bureau: If we are going to have a parliamentary inquiry, let it be dignified, and let not these little subterfuges come before this tribunal. We want to know everything.

A point of order was being discussed and I said:

> Mr. Porter: Before you make your ruling, may I say a word? I do not want controversy over this question. I am not here determined to prove my case at all hazards. That is not my object.
>
> Hon. Mr. Bureau: Oh, tut, tut.

That is the same dignity shown by the hon. member who has just spoken. I shall not take time to refute the statements of evidence by the hon. member, because he has not in a single instance where he quoted the evidence, quoted it as it is printed in the record. Where he quoted the evidence he did not read from the record and I am contradicting the statement he made.

Mr. BUREAU: I rise to a point of order. I quoted the evidence from page 77 of the report of the committee of June 6, 1924, and if there is any word that I have not correctly quoted the mistake will appear in Hansard in due course.

Mr. PORTER: The hon. member made a statement which I am contradicting. He did not read from the record although I asked him to do so when he made the statement.

Mr. BUREAU: I read from the report of the proceedings of June 6, at page 77.

Mr. PORTER: The hon. member also charges that I am the self-constituted guardian of the honour of the House.

Mr. BUREAU: Yes, I said that.

Mr. PORTER: Well, what is wrong with that? I want to know from the hon. member what is wrong about my constituting myself the guardian of the honour of this House. Does he complain of that?

Mr. BUREAU: I said that the hon. gentleman was the self-constituted protector of the honour of the House.

Mr. PORTER: What is wrong with that?

Mr. BUREAU: Why ask me that? If the hon. member does not like the appellation he need not accept it.

Mr. PORTER: The hon. member will not answer the question and therefore I will not press it. Now, the hon. member for Dorchester (Mr. Cannon) stated that I did not exhibit the same amount of zeal during the years I had been in parliament that I have done on this particular occasion, to safeguard the honour of members of parliament. He did not however cite, nor can he cite, one single case that came to my knowledge or attention which I neglected to bring to the notice of parliament. It is simply a bald statement without any foundation in fact.

Mr. ARCHAMBAULT: What about the case of Wigmore?

Mr. PORTER: I do not know.

Mr. ARCHAMBAULT: The hon. member was in the House at the time.

Mr. PORTER: There was never any charge brought on the floor of the House and no investigation was held.

Mr. ARCHAMBAULT: Why did the hon. member not bring a charge?

Mr. PORTER: No one brought any charge at all. Reference has been made to books written by the Right Hon. Winston Churchill and by Lloyd George. The book written by Churchill gave away certain things, if I may use that expression, and it is significant that Churchill has never been in the British parliament since he wrote that book, and parliament has never had an opportunity of bringing him before its bar. And so far as Lloyd George is concerned, he has never been accused of giving away state secrets; I defy any man to produce any record to prove that he has ever done so. What is the use of referring to such matters to determine the question which is involved here? It seems to me nothing but stage play; it does not answer nor touch the question at all. Let us be manly in this matter.

Mr. BUREAU: Yes.

Mr. PORTER: The hon. member for Dorchester and one or two others have advanced what they term the human argument. I am not objecting to that, but the argument does not apply in a case of this kind. To put it in a word, they say that the Minister of Labour (Mr. Murdock) did nothing more than thousands of others would have done in the same circumstances. Do hon. members realize that this parliament is not the keeper of the conscience or the honour of the thousands of other men who are out in the country? There is only one Minister of Labour here and the conduct of that minister in so far as it touches the honour of parliament is in the keeping of this House. Parliament must therefore investigate matters of this kind, and when a minister or a member of parliament transgresses the rules, or sullies the traditions of parliament, or impinges upon its honour, we must take cognizance of such conduct. To use the argument that thousands or tens of thousands of others would have done the same thing does not make one bit of difference to the case as it stands.

Now, just one word in reference to what the Prime Minister has said touching the precedent he cited in the case that occurred in 1891. He did not state the name of the case but I think I know it; I think he had reference to the Rykert case.

Mr. MACKENZIE KING: No, it was the case of Hon. John Haggart.

Mr. PORTER: Will the Prime Minister say that the punishment was not applied?

Mr. MACKENZIE KING: No; the government of the day even refused to investigate the charge, holding that the offence if proved would not show that Hon. John Haggart had violated any law, and that no precedent could be cited to afford a ground for his removal even if the charge could be proved.

Mr. PORTER: That is what I expected the Prime Minister to say with reference to the Haggart case, but that is the reverse of what this parliament did. The facts as disclosed before parliament in that case did not constitute an offence in the first instance in the opinion of the House, and an investigation was refused. In this case however the facts do constitute an offence in the opinion of every hon. member of the House who has voted for the investigation.

Mr. BUREAU: No, not at all.

Mr. PORTER: If hon. members were of the opinion that the investigation would amount to nothing at all, what would be the sense of ordering one?

Mr. MACKENZIE KING: What would the hon. gentleman have said if the government had refused to grant the investigation?

Mr. PORTER: If the government had declared that they were satisfied that no offence had been committed, I should say they would be right in refusing to grant an investigation.

Mr. BUREAU: You would have charged the whole government with being guilty.

Mr. PORTER: When however the government ordered an investigation, thereby admitting that the facts as stated did constitute an offence if proven, it is clear that it must have been the opinion of every hon. member who voted for the inquiry that on the face of it an offence had been committed which should be looked into.

Mr. MACKENZIE KING: At the time I pointed out to the House that power had been given to a royal commission to make an investigation in so far as the facts were concerned; but it was the insistence of the hon. gentleman that this would not satisfy him and those about him that led me to say in the name of the government that we were prepared to grant an investigation.

Mr. PORTER: The Prime Minister knows better than I can tell him that the power of this House, the right of this House, to inquire into any charge affecting the honour of any member of parliament as such or of any minister of the cabinet is not a matter that can be delegated to a royal commission or a judge of the supreme court. It is a matter within the keeping of this House. It is a matter of the honour and conscience of the members of this House, and of nobody else. For that reason a royal commission would not be accepted, and the House agreed with that position. Instead of insisting that it go to a royal commission, the House granted an investigation by the committee on Privileges and Elections, and here we are with the facts as I have endeavoured to prove this afternoon.

Now my right hon. friend addressed this further argument to the House: Is this House upon the evidence that has been submitted going to turn this man out of public life, is it going to punish him in that way? And he repeated the question. It is not for me, it is for the House to say whether it will turn him out of public life or what other punishment it will inflict. It may be that the House will be of opinion that some other punishment should be meted out, but it is up to the House to declare what punishment the minister deserves at its hands for an offence that he has been proven guilty of; nothing more, nothing less. So far as I am personally concerned, as I have stated over and over again, I have tried to conduct the case fairly against the Minister of Labour. But as to this, the hon. member for Three Rivers (Mr. Bureau) differs very materially with the chairman of the committee (Mr. Archambault) who this afternoon was so loud in his praise of the manner in which I had conducted the inquiry all the way through.

Mr. BUREAU: It is a question of appreciation.

Mr. PORTER: The member for Three Rivers differs from him entirely.

Mr. BUREAU: Absolutely.

Mr. PORTER: So they are not on the same basis there.

Mr. BUREAU: If my hon. friend will allow me—my reason for differing from the chairman of the committee is that my hon. friend's actions were so contrary to his words that they forced me to that conclusion.

Mr. PORTER: It is easy for you to make the statement, but you have absolutely no evidence to prove it.

Mr. BUREAU: The evidence is to be found in your argument and in your conduct of the case.

Mr. PORTER: I am willing to submit to the opinion of this House whether I have conducted the case fairly or not.

Now, the right hon. Prime Minister addressed this further question to me, and it is a very pertinent one: Why didn't you ask the hon. minister himself if he got his information from the cabinet or as a minister? Well, the chairman of the committee laboured this afternoon for half an hour to show by precedent, by rule and by law that he would not permit—and he did not—questions along that line at all. Over and over again he ruled as is shown in this evidence. What is the use of asking me why I did not put the question when I was not allowed to?

Mr. MACKENZIE KING: That was not the question I asked my hon. friend.

Mr. PORTER: I so understood it.

Mr. MACKENZIE KING: No, my hon friend is mistaken. I quoted these words which will be found at page 138 of the report:

> It was not through any official communication that I withdrew the money.

Was the minister asked: Was it through any official communication that you withdrew the money?

Mr. PORTER: I would not be allowed to ask that question.

Mr. MACKENZIE KING: Why not?

Mr. PORTER: Because I could not ask a question at all in regard to any information coming from the cabinet, I was precluded by the ruling of the chairman. The only one who could give that evidence would be the minister himself, probably by a negative answer.

Mr. MACKENZIE KING: May I draw my hon. friend's attention to the fact that his own colleague on the committee used this expression:

> That would not be disclosing anything that took place in council, if he were to say, "It was not through any official communication that I withdrew the money".

Mr. PORTER: That was what was endeavoured to be proved, and that is what was proven by the facts and the circumstances of the case. What was the use of proving he got the information somewhere else? Now, this hair-splitting about getting the information out of the cabinet or in the cabinet prompts me to put this question to the Prime Minister himself. The Prime Minister got information, so did the Minister of Railways so did the Acting Minister of Finance—they all got information as to the condition of the Home Bank. They all got it out of cabinet; two of them got it in the Chateau Laurier hotel, the other got it in his private residence, Would any one of them undertake to say that next morning, if he had $10,000 in the Home Bank, he would have drawn the money out to the detriment of the other depositors? Speak up and say so if you would. I should like to know.

Mr. FINN: That is not the evidence before the committee.

The ACTING SPEAKER (Mr. Marcil, Bonaventure): Order.

The House divided on the amendment (Mr. Hanson) which was negatived on the following division:

YEAS

Messrs.

Anderson,
Arthurs,
Baxter,
Black (Yukon),
Bowen,
Charters,
Church,
Dickie,
Doucet,
Drayton (Sir Henry),
Duncan,
Garland (Carleton),
Grimmer,
Guthrie,
Hanson,
Harris,
Hocken,
Hubbs,
Jones,
Ladner,
LeSueur,
Maclean (York),
McKillop,
Manion,
Maybee,
Meighen,
Porter,
Ross (Kingston),
Senn,
Sheard,
Spence,
Stansell,
Stevens,
Stewart (Hamilton),
Stewart (Leeds),
Sutherland,
Thompson,
Tolmie,
White,—39.

NAYS

Messrs.

Archambault,
Baldwin,
Bancroft,
Beaubien,
Béland,
Benoit,
Binette,
Bird,
Black (Huron),
Boivin,
Bouchard,
Bourassa,
Brethen,
Brown,
Bureau,
Cahill,
Caldwell,
Cannon,
Cardin,
Carmichael,
Carruthers,
Casgrain,
Chevrier,
Chisholm,
Clifford,
Copp,
d'Anjou,
Davies,
Déchène,
Delisle,
Denis (Joliette),
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Drummond,
Duff,
Elliott (Dundas),
Elliott (Waterloo),
Ethier,
Euler,
Fafard,
Fansher,
Findlay,
Finn,
Fontaine,
Forke,
Forrester,
Fortier,
Fournier,
Gardiner,
Garland (Bow River),
Gauvreau,
Gendron,
Gervais,
Gordon,
Gould,
Graham,
Halbert,
Hammell,
Hatfield,
Healy,
Hodgins,
Hoey,
Hopkins,
Hudson,
Humphrey,
Hunt,
Irvine,
Jelliff,
Johnston,
Kellner,
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
King (Kootenay),
King, Mackenzie (York),
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Leader,
Lewis,
Lovett,
Lovie,
Lucas,
Macdonald (Pictou),
MacLean (Prince, P.E.I.),
Macphail,
McBride,
McConica,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
McTaggart,
Malcolm,
Marcile (Bagot),
Marler,
Martell,
Mercier,
Michaud,
Millar,
Milne,
Morin,
Morrison,
Motherwell,
Munro,
Ouimet,
Papineau,
Parent,
Pelletier,
Power,
Prevost,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Robb,
Roberge,
Robinson,
Robitaille,

Ross (Simcoe),	Stewart (Argenteuil),
St. Père,	Stewart (Humboldt),
Sales,	Stork,
Savard,	Thurston,
Séguin,	Tobin,
Sexsmith,	Vien,
Shaw,	Wallace,
Sinclair (Oxford),	Walsh,
Sinclair (Queens, P.E.I.),	Ward,
Speakman,	Woods,
Spencer,	Woodsworth,—149.
Steedsman,	

PAIRS

(The list of pairs is furnished by the Chief Whips.)

Messrs:

Ministerial:	Opposition:
Murphy,	Ryckman,
Kyte,	Boys,
Mackinnon,	McQuarrie,
Low,	Preston,
Kay,	Wilson,
Fielding,	Bristol,
McMaster,	Simpson,
Logan,	McLaren,
Kelly,	Black (Halifax),
German,	Chaplin,
McCrea,	Clark,

The ACTING SPEAKER (Mr. Marcil, Bonaventure): The question is now on the main motion.

Mr. WILLIAM IRVINE (East Calgary): Before the main motion is put, I desire to move an amendment, as follows:

That the second report of the select standing committee on Privileges and Elections be not concurred in, but be referred back to the said committee with instructions that they have power to reconsider the same and to strike out the words "not only" and "but entirely disproved" in the last line of the third paragraph thereof.

I wish very briefly to explain the difference this would make in the main motion, and to take a very few minutes to give my reasons for moving it. I can assure the House that at this hour I shall not impose upon them, but I feel it is necessary for me to make my position clear on the issue before us. The difference that would be made by the amendment, if adopted, would be this: That the charge submitted to the committee on Privileges and Elections for investigation, so far as it affects the honour of Mr. Murdock, would be simply found "not proved." The amendment would delete the words "not only" and "but entirely disproved."

It may be, Mr. Speaker, that my lack of experience in parliamentary life is responsible for the fact that I have taken this charge and this discussion very seriously.

Mr. MARTELL: Is not what the hon. member is endeavouring to do is to bring into this country the old Scottish verdict of "not proven?" That is about all that he is getting at.

[Mr. Porter.]

Mr. IRVINE: If the hon. member will just contain himself, if possible, I shall endeavour to explain exactly what I am getting at. When interrupted I was pointing out that I am taking this charge seriously, both in the interests of the hon. member against whom the charge has been made, and in the interests also of the honour and dignity of parliament, which it is alleged has somehow been impaired. I say I feel as a member of this House a great responsibility first when I think that perhaps by some vote of mine the honour and dignity of parliament may be impaired; and in the second place, I feel a great responsibility when I think that a vote of mine may possibly inflict an irreparable injustice upon an hon. member.

I have listened to the arguments of the prosecuting attorney, so to speak, and also to the arguments of those who have defended the hon. gentleman who has been charged. I have tried to have regard to the legal aspects involved in the honour and dignity of parliament, and I have been trying also to pay due attention to the human phase of the situation, and I have come to a certain conclusion. That conclusion may not be, strictly speaking, a legal conclusion, but I hope it will be regarded as possessing reasonable common sense, and that it will be as human as the situation will permit. The evidence required either to prove or disprove the charge that is made against the hon. Minister of Labour by the hon. member for West Hastings has been properly or improperly withheld. The evidence that would have made clear the situation to the House would hinge upon this question: Did the Minister of Labour use information received at a cabinet meeting in such a way as to lead to his own financial betterment and to the disadvantage of others? That is the question that in my mind leads us to the very crux of the charge. This question has not been answered. The only source from which the evidence implied in that question could have been received was from the cabinet itself, and it has been ruled that the members of the cabinet could not be questioned. That ruling, so far as I have heard has not been challenged. I am not claiming sufficient legal knowledge to say whether the members of the cabinet were improperly or properly not called, but I have to say this: Without the evidence which they might have given, if they had been called, it is impossible to decide either the honesty or the guilt of the Minister of Labour. That being so, in the absence of the only possible evidence that could enable us to come to an intelligent deci-

sion, the door has been left wide open for all kinds of suspicion. I feel that if I were to follow suspicion I would undoubtedly have voted for the amendment that was moved by the opposition, but not being inclined to follow suspicion what is there left for one to do? If I take the action itself it would seem to lend itself to the conclusion that there was indiscretion, weakness, or perhaps worse, on the part of the Minister of Labour. Certainly it would exhibit a type of action that is far below that which we hope from honourable and responsible public servants in Canada. If the drift of the suspicion be unfair to the minister then he must be content to suffer the disabilities that follow the privileges of secrecy, and the onus must be placed upon the cabinet itself to remove that suspicion from him. The secrecy which has been maintained and sustained with regard to the cabinet council may be advisable in some instances to a reasonable degree, but I maintain that such secrecy should not hold when the character of a member of the cabinet is at stake. The point is that there is not enough evidence to ensure an intelligent decision, and in the absence of evidence we are called upon to make a guess. But it will be argued, I suppose from a legal point of view, that if this is the opinion that I hold why not exculpate the hon. gentleman and vote for his exoneration? It may be contended that it is a practice, a well established axiom in law in this country that a man must be held to be innocent until he is proved guilty. I understand that is a generally accepted and wholly admirable rule in criminal cases. But I do want to suggest that I would be very willing to apply that same rule to this case if all the evidence that might have been given had been permitted. However, in this case I do not accept the parliamentary practice of old as a final thing, that when the character of an honourable gentleman is at stake, the cabinet could not reveal the secrets they were talking about in order to give him his liberty, or rather to clear him of the suspicion cast upon his character. I think that the evidence which the cabinet could have given had it not been considered contrary to parliamentary practice to permit their evidence would have been indispensable in arriving at a verdict and in the absence of that evidence I find myself unable to simply say the Minister of Labour must be absolutely exonerated since we cannot have sufficient evidence to prove him guilty. Now, the other side may say "But you are bound to find him guilty since he cannot be exonerated." To that I also reply briefly, that I cannot justify myself in drawing an inference from evidence that was not submitted. There is the situation as briefly as I can put it before hon. gentlemen. What about the fact then, someone will ask? Is it not so that the money was taken out? I know that this is made light of by the Prime Minister himself. It was also held as a very trivial matter by the hon. member who preceded the Prime Minister in debate. I cannot look upon the charge as being so trivial a thing as the hon. member for Dorchester (Mr. Cannon) endeavoured to make out. Even though I beg the question to the extent of saying that there is no imputed guilt to a minister who may use information which he receives in the cabinet council for his own advantage, still I am bound to say that the action of the minister in question was indiscreet and perhaps worse than indiscreet. It has been argued that he only took his own money. That is not true strictly speaking. The fact is that he put $4,000, or a little over, into this bank. Really he had only the right to withdraw one thousand of that since the bank could only pay 25 cents on the dollar. Only one thousand of that under the circumstances was his money. Here you may advance the human argument and say "Would not all of us have done the same thing?" I for one would not have done the same thing.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: Wait until I explain what I mean by that. I am willing to admit that I, like the minister in question, would have taken the action that in my opinion looked to be best for myself. I believe that is what he did. I believe every hon. gentleman in this House in a similar position would have done the same thing. It has transpired, that the minister was very short-sighted, he took the course that was really the worst for himself. That is one reason why I hesitate to vote complete censure upon him; because if he had been politically wise he would not have taken that course. Whatever else he may be his action certainly proves the hon. Minister of Labour is not a good politician because if he had been a good politician he would have seen at a glance that in taking out his money he was placing himself in the position in which he now finds himself. Yes there is a human side to this question, and I want to give consideration to that very briefly. I know that the hon. member for West Hastings, who moved the amendment, did say that Mr. Murdock had forfeited all right to the sympathy either of the public or of this House. In regard to that I want to say that a man has got to go a long way before he forfeits his right to human sympathy.

I certainly do not agree with the view that, even if the charge had been proven to the hilt, the minister has placed himself beyond the pale of sympathy of hon. members of this House.

In closing I say that we are called upon in the lack of evidence to take a chance on the one hand of doing an injury to the honour and dignity of parliament of which we are all professedly so very jealous. On the other hand, we are called upon in the lack of evidence to take a chance of doing irreparable injury to one of our fellows. I therefore have moved an amendment which neither exonerates nor condemns. It takes the position of the old Scotch practice which permits a finding that the case is not proven. There is no other logical conclusion to which I can come. If it is argued or suggested that this position leaves a cloud of suspicion on the head of the minister, then I reply that the course is open for the minister if he be innocent and the cabinet concerned to take such action as will immediately dispel that cloud, and that action will be to give the evidence that is necessary to enable this House to come to an intelligent conclusion. That is briefly the reason for this amendment.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The amendment moved by the hon. member for West Hastings (Mr. Porter) sets out definitely and finally the view of those whom I have the honour to lead in this House. We have voted in support of that amendment which represents our position. The amendment now moved does, I admit, reduce somewhat the absurdity, the enormity of the original motion, but still it does not represent what we feel should be the finding of the committee and of this House, and inasmuch as it does not, I purpose to vote against it, and certainly against the main motion as well.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The amendment proposed by the hon. member for East Calgary (Mr. Irvine) clearly does not go as far as the committee has stated in their opinion we should go in this House, and so far as the government, and I imagine all members on this side of the House who wish to support the report of the committee are concerned, we will not be able to support the amendment of my hon. friend.

Mr. T. W. BIRD (Nelson): I desire to say a few words in support of the amendment before the House. As I conceive it, the question before us resolves itself into two or three propositions. In the first place, we have to ask ourselves what the charge is, and in the second place, has it been proved; and in the third place if proved, what can we attach to it? I am not going to trouble the House with any definition as to what the charge is. I would much rather endeavour to see what its quality is and what its definition is. To my mind it is purely a partisan charge, and that puts the impartial onlooker in a difficult position. As far as I can see, it was introduced purely in a spirit of partisanship, and as far as I have been able to see, on the other hand, it has been defended purely in a spirit of partisanship, and that makes it very difficult for the impartial onlooker to make up his mind with regard to it.

I think that it is not the Minister of Labour (Mr. Murdock) that is being tested at the present time. It is this system of running the business of this House, known as the two party system, whereby for nine or ten hours we have these partisan charges bandied to and fro across the House, while the business of the House at the end of the session is being neglected. That is the thing that is being tested before the country to-night.

There is a real human element in this discussion to-night, and that is the position of the Home Bank depositors. We have the spectacle of the two great parties in this country standing on a point of honour, and I believe the human element has been forgotten altogether. I was in the committee this morning when the Home Bank depositors appeared before us presenting their case. We begrudgingly, perhaps of necessity, gave them two or three hours to state their case. We had to hurry them up, in order that they might place their sad story before us. Since that time we have spent nine hours in discussing a question of honour and of dignity, and in discussing it we have shot the dignity of this House all to pieces.

Now has this charge been proven? Of course, it has not been proven. Has it been disproven? Of course it has not been disproven. We have been denied access to the very place where the evidence resided. How can we form an intelligent opinion on this question when we are not allowed to enter secrets of the cabinet where the evidence rests. I think that the government made a very serious mistake in not taking this House straightforwardly into their confidence. Taking the defenders of the Minister of Labour at their own estimate, they say this thing after all does not amount to anything. If it does not amount to anything, why not make an open breast of it? I do not think the country at large will understand the defenders of the Minister of

Labour standing upon precedent. Who is Judge McKeown? He may be a dignified judge of great ability, but I do not think invoking Judge McKeown or any other precedent in order to shut out inquiry will commend itself to the people of this country. I think this House has a right to know what went on inside the cabinet that night.

Mr. GRAHAM: It is not a question of Judge McKeown's ruling or the chairman's ruling. The ministers could not give that information without violating their oath. Would the member advise us to do that?

Mr. BIRD: I do not see the point of my hon. friend's remarks.

Mr. GRAHAM: The members of the cabinet are sworn to secrecy as to what takes place in council.

Mr. BIRD: Notwithstanding its importance or unimportance.

Mr. GRAHAM: It makes no difference; that is their oath. Does my hon. friend advise that the members of the cabinet should have violated their solemn oath?

Mr. BIRD: If that is so, and if the cabinet is bound by an oath of that kind, I must withdraw my remarks, and I do so straightforwardly. I was speaking in my ignorance of the situation. But it is a very peculiar situation that forbids the cabinet to disclose its proceedings in a case of this kind.

Mr. VIEN: Did not my hon. friend take cognizance in the committee of the fact that the oath of office was read and was printed as part of the evidence?

Mr. PORTER: There is nothing in the oath to prevent a negative answer being given, as was pointed out this afternoon and not contradicted.

Mr. BIRD: I suppose that oath of secrecy is imposed in order to safeguard the interests of the nation, and I think the interests of the nation are involved in this very question. It seems to me a very far-fetched interpretation of the intention of that oath to deny the cabinet the opportunity of doing something which I think the public would have been glad to have justified them in doing. However I will leave that. I made an error in making that statement, and will pass on to other questions. If this charge were proven, what weight would be attached to it? Shall we look at this thing through the thick end of the telescope with our friends here, or through the thin end of the telescope with our friends over there? Here is a tendency to magnify the thing out of all proportion, and over there there is a tendency to belittle it. I think that on a question of this kind it is beside the point to inquire what any one of us would do under the circumstances. I will agree that none of us is so virtuous that he could stand up here,—unless it is my hon. friend from East Calgary, (Mr. Irvine)—and say just what he would have done or would not have done under the circumstances. I think perhaps I have done worse things in my past life than the Minister of Labour did on that occasion. But I have no desire to repeat those things. I do not admire them, and while what Mr. Murdock did is apparently satisfactory to some hon. gentlemen over there, if he had felt self-possessed enough not to have done it. I think I interpret the minds of hon. gentlemen correctly when I say that it would have been more satisfactory to them if he had not done it. There may be some kind of red-blooded virtue which says: Now that is just the kind of thing I would have done; I would have followed the human nature that is in me and have done that thing. But that is not the kind of talk that commends itself to the people of this country, because the people of this country—and we are proud of the fact—demand a high standard in our public men, and I hope that standard in our public men may remain, no matter what degree of virtue exists in us. We are not here as individuals. We are here to uphold a standard of public virtue. I am not disposed to overestimate this thing that Mr. Murdock has done. As I said, perhaps any one of us would have done it; very likely we would, but I think there is a medium course. We must look at this thing as it is. We must not underestimate it as I am sorry to have seen some of my hon. friends here to-night, nor overestimate it as some of my hon. friends to my right have done, and, I am afraid, with something of a partisan motive. Do not let us twist it out of its proper shape. I am not here to judge Mr. Murdock at all, but I think, perhaps, he made a mistake. I do not think the heinousness of it was so great as our friends to my right tried to make out. I think it is something that we as a House could have left to his constituents to judge upon if they thought fit. But to make this thing an issue on the floor of this House; to say that the dignity of the House is involved in it, and then to throw the dignity of the House aside and to make it a moment for partisan fray, I think is what every mind here to-night that is in

possession of itself must decide against, and this is the only opportunity that I can see for such minds to decide. Personally, I am going to vote for the amendment.

Mr. T. H. McCONICA (Battleford): Mr. Speaker, I thought that this was a Progressive day in parliament; that the two old parties would tear, rend and devour each other; that we would be left alone in our glory, and that it would be really a pleasant occasion. But it seems now that there is a Progressive angle to this complication. We have heard the discussion of the testimony as to the Minister of Labour (Mr. Murdock). After listening to it for a day, we have decided that he is not guilty. That is, we have decided by a very large majority of this parliament that he stands before us to-day innocent of the charge that has been laid against him.

There is this angle to the testimony that was introduced before this committee. Mr. Murdock testified that on the 9th day of August that he got certain information from the Deputy Speaker (Mr. Gordon). The Deputy Speaker testified that he gave him certain information. Mr. Murdock testified that at the time he drew out this money he had no further information on the subject. It is now proposed to say that the charge was not disproved. If the charge is not disproved, Mr. Murdock is a perjurer; he has sworn falsely to that point. Are we, who, a few minutes ago, voted that he was innocent; that he was an honest man, to vote now that his testimony as to that point was false? I do not think such a course is consistent, and I believe this amendment that the charge is not disproven should be voted down. If Mr. Murdock is an innocent man—and we have so voted—then his testimony upon that point is entitled to credit and we should give him a clean bill of health. For that reason I shall vote against the amendment.

The House divided on the amendment (Mr. Irvine) which was negatived on the following division:

YEAS

Messrs:

Bird,
Brethen,
Brown,
Elliott (Dundas),
Fansher,
Gardiner,
Garland (Bow River),
Hoey,
Hopkins,
Irvine,
Lewis,
Macphail,
Milne,
Sales,
Shaw,
Spencer,
Steedsman,
Stewart (Humboldt),
Thurston,
Wallace,
Ward,
Woodsworth,—22.

NAYS

Messrs:

Archambault,
Baldwin,
Bancroft,
Beaubien,
Béland,
Benoit,
Binette,
Black (Huron),
Boivin,
Bouchard,
Bourassa,
Bureau,
Cahill,
Caldwell,
Cannon,
Carruthers,
Casgrain,
Charters,
Chevrier,
Chisholm,
Church,
Copp,
d'Anjou,
Déchène,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Drummond,
Elliott (Waterloo),
Ethier,
Euler,
Fafard,
Findlay,
Finn,
Fontaine,
Forke,
Forrester,
Fortier,
Fournier,
Gauvreau,
Gendron,
Gervais,
Gordon,
Gould,
Graham,
Guthrie,
Halbert,
Hammell,
Harris,
Hatfield,
Healy,
Hodgins,
Humphrey,
Hunt,
Jelliff,
Johnston,
Kellner,
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
King (Kootenay),
King, Mackenzie (York),
Kyte,
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Leader,
Logan,
Lovett,
Lovie,
Low,
Lucas,
Macdonald (Pictou),
MacLean (Prince, P.E.I.),
Maclean (York),
McBride,
McConica,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
McTaggart,
Malcolm,
Marcile (Bagot),
Marler,
Meighen,
Mercier,
Michaud,
Millar,
Morin,
Motherwell,
Munro,
Ouimet,
Papineau,
Parent,
Pelletier,
Porter,
Power,
Prevost,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Roberge,
Robitaille,
Ross (Simcoe),
St. Père,
Savard,
Séguin,
Sexsmith,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Speakman,
Stansell,
Stewart (Argenteuil),
Stewart (Leeds),
Stork,
Tobin,
Tolmie,
Vien,
Walsh,
Woods,—129.

The House divided on the motion, (Mr. Archambault) which was agreed to on the following division:

YEAS

Messrs:

Archambault,
Baldwin,
Bancroft,
Beaubien,
Béland,
Benoit,

Binette,
Black (Huron),
Boivin,
Bouchard,
Bourassa,
Brethen,
Brown,
Bureau,
Cahill,
Caldwell,
Cannon,
Carruthers,
Casgrain,
Chevrier,
Chisholm,
Clifford,
Copp,
d'Anjou,
Déchène,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Elliott (Waterloo),
Ethier,
Euler,
Fafard,
Fansher,
Findlay,
Finn,
Fontaine,
Forke,
Forrester,
Fortier,
Fournier,
Gauvreau,
Gendron,
Gervais,
Gordon,
Gould,
Graham,
Halbert,
Hammell,
Hatfield,
Healy,
Humphrey,
Hunt,
Jelliff,
Johnston,
Kellner,
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Kootenay),
King, Mackenzie (York),
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Leader,
Lovett,
Lovie,
Lucas,
Macdonald (Pictou),
MacLean (Prince, P.E.I.),
McBride,
McConica,
McDonald (Timiskaming),
McGiverin,
McIsaac,
McKay,
McMurray,
McTaggart,
Malcolm,
Marcile (Bagot),
Marler,
Martell,
Mercier,
Michaud,
Millar,
Morin,
Motherwell,
Munro,
Ouimet,
Papineau,
Parent,
Pelletier,
Power,
Prevost,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Robb,
Roberge,
Robitaille,
Ross (Simcoe),
St. Père,
Savard,
Séguin,
Sexsmith,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Speakman,
Stewart (Argenteuil),
Stork,
Tobin,
Vien,
Walsh,
Woods,—119.

NAYS

Messrs:

Anderson,
Arthurs,
Black (Yukon),
Bowen,
Charters,
Church,
Doucet,
Drayton (Sir Henry),
Duncan,
Elliott (Dundas),
Gardiner,
Garland (Bow River),
Garland (Carleton),
Grimmer,
Guthrie,
Harris,
Hocken,
Irvine,
Ladner,
LeSueur,
Maclean (York),
Macphail,
McKillop,
Manion,
Maybee,
Meighen,
Milne,
Porter,
Ross (Kingston),
Senn,
Shaw,
Spence,
Spencer,
Stansell,
Stevens,
Stewart (Hamilton),
Stewart (Leeds),
Sutherland,
Thompson,
Thurston,
Tolmie,
Wallace,
White,
Woodsworth,—44.

PAIRS

(The list of pairs is furnished by the Chief Whips.)

Messrs:

Murphy,
MacKinnon,
Low,
Duff,
Kay,
Fielding,
Robinson,
Jones,
McMaster,
Logan,
Kelly,
German,
McCrea,
Ryckman,
McQuarrie,
Preston,
Dickie,
Wilson,
Bristol,
Hanson,
Morrissy,
Simpson,
MacLaren,
Black (Halifax),
Chaplin,
Clark,

On motion of Mr. MACKENZIE KING the House adjourned at 3.30 a.m. (Thursday).

Thursday, June 26, 1924

The House met at three o'clock.

REPORTS OF COMMITTEES

NATIONAL RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo) presented the second report of the select standing committee on National Railways and Shipping recommending that it be granted leave to sit while the House is in session.

On motion of Mr. Euler the report was concurred in.

CIVIL SERVICE SUPERANNUATION

Mr. JAMES MALCOLM (North Bruce) presented the second report of the special committee appointed to consider Bill No. 122, to provide for the superannuation of civil servants, as follows:

Your committee having carefully considered the bill report the same with amendments.

RAILWAYS, CANALS AND TELEGRAPH LINES

Mr. FRANK S. CAHILL (Pontiac) presented the seventh report of the select standing committee on Railways, Canals and Telegraph lines as follows:

Your committee having considered Bill No. 145 (E3 of the Senate), have agreed to report the same with an amendment.

Your committee have also considered Bill No. 11 to amend the Railway Act, 1919, and have agreed to recommend that the bill be not proceeded with at the present time as in their opinion it is not in the public interest to do so.

AGRICULTURE AND COLONIZATION

Mr. W. F. KAY (Missisquoi): I move, that the first report of the select standing committee on Agriculture and Colonization be concurred in.

Sir HENRY DRAYTON: Before this report is concurred in we should be told what it recommends.

Mr. KAY: The report was presented on Friday last. It recommends the printing of certain evidence taken before the committee on the subject of wheat rust and potato diseases.

Motion agreed to.

Mr. KAY: I move that the second report of the select standing committee on Agriculture and Colonization be concurred in.

Sir HENRY DRAYTON: Will my hon. friend kindly tell us what the nature of this report is?

Mr. KAY: The report recommends to the government that an appropriation of $50,000 be granted for scientific research into the subject of wheat rust.

Motion agreed to.

SOVIET AND UKRAINIAN REPUBLIC

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the Table a copy of the correspondence regarding the recognition of the Union of Soviet Socialist Republics.

HOME BANK DEPOSITORS

Mr. DAVID SPENCE (Parkdale): I beg to present a petition from 175 depositors of the Home Bank in my riding praying to be indemnified for their losses.

PRIVATE BILLS

FIRST READINGS

Bill No. 205 (from the Senate), for the relief of Janet Ferguson.—Mr. Ross (Kingston).

Bill No. 206 (from the Senate), for the relief of Charles Whittaker.—Mr. Duff.

Bill No. 207 (from the Senate), for the relief of Arthur Robert Ascough.—Mr. Preston.

Bill No. 208 (from the Senate), for the relief of Albert Joseph Phillips.—Mr Harris.

Bill No. 209 (from the Senate), for the relief of Patience Oldfield.—Mr. Duff.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—PRINCE RUPERT LOTS

Hon. Mr. STEVENS:

1. Having reference to question No. 18, answered May 7, referring to the sale of lots in Prince Rupert, owned by the National Railways, did the National Railways sell a large block of lots numbering upwards of one thousand about a year ago; if so, how many?

[Mr. Kay.]

2. Was the price at which these lots were sold $7 per lot; if not, what was the price?

3. Were the said lots sold to a man named J. F. Duthie directly or indirectly; if not, to whom?

Hon. Mr. GRAHAM: The above questions were brought to the attention of Mr. Gerard Ruel, Vice-President and General Counsel, Canadian National Railways, at the meeting of the select standing committee on National Railways and Shipping on Tuesday, June 24, when Mr. Ruel made the following explanation of the transfer by the Grand Trunk Pacific Development Company of the property in question:

The property in Prince Rupert was assessed at a very large assessment. We appealed against the assessment for a number of years with the intention of getting it reduced, but were unsuccessful. We did not consider the property of much greater value —rather a lesser value than the actual taxation— less than the assessment against it. We tried to give that property to the city, to have them take the property in discharge of the taxes. They said no, they would not do that; the taxes were assessed against the company, and we had no remedy, no redress. We said "Will you take the property and sell it to anybody to discharge the taxes?", and they said, "No, you have to pay the taxes." We, therefore, paid all the taxes, and then transferred the property to Duthie. If the city wants to get that property to-morrow, we will give it to them, we will get it back and hand it over to them, but we do not want to pay taxes on property that should not be assessed.

Mr. Ruel proceeded to explain to the committee that a conference of provincial treasurers was being arranged in order that a uniform basis of taxation of Canadian National Railways property rights might, if possible, be reached. At that conference the question of municipal taxation would also be considered.

A. P. FORSTER

Mr. HARRIS:

1. Why were the services of A. P. Forster of Welland, government inspector on section 5 and sections 8 and 9 since 1915, on the Welland canal, dispensed with?

2. Who has been placed in charge of the inspection service in place of Mr. Forster?

3. Is Mr. Forster's suspension permanent or temporary?

Hon. Mr. GRAHAM:

1. A. P. Forster was Inspector of Dredging, section 5, Welland Ship canal. His services were no longer required as dredging operations had ceased.

2. No appointment made.

3. Permanent.

BRIBE-TAKERS AND PERJURERS

Mr. DUNCAN:

1. Is the government aware that representations have been made to the Attorney General of Quebec in protest against bribe-takers and perjurers appearing before the Montreal courts as King's Counsel, and that the bar of Montreal and certain judges there, federally appointed, have also received a similar protest?

2. Has the government received any protests of like nature? If so, when?

3. Has any action been taken?

Hon. Mr. LAPOINTE:

1. No.

2. A printed letter from Brenton A. MacNab was received on June 9, 1924.

3. No.

COLONEL REID HYDE

Mr. DOUCET:

1. What position does Reid Hyde hold in the High Commissioner's office in London?

2. What is his salary and what allowances does he receive?

3. Was he appointed by or with the concurrence of the Civil Service Commission?

Right Hon. W. L. MACKENZIE KING:

1. Col. Reid Hyde does not hold a position in the High Commissioner's office, but is retained by the Canadian government in the capacity of an auditor or counsellor from time to time.

2. He is not paid a salary, but receives a retaining fee of $100 and an allowance for his services when engaged on work by the High Commissioner's office at the per diem rate recognized by the Accountant's Association of England, viz., £7 per day.

3. The nature of the services rendered from time to time by Col. Reid Hyde are not such as to bring him within the class of employees appointed by concurrence of the Civil Service Commission.

INDIAN RESERVES—TIMBER DUES

Mr. SIMPSON:

What timber, and of what kind and quantity, has been cut since the year 1915, for which dues have been paid, on the Indian Reserves on Christian, Hope and Beckwith islands in the Georgian bay, and what dues have been paid annually therefor since the year 1915?

Hon. Mr. STEWART (Argenteuil):

TIMBER CUT ON CHRISTIAN ISLAND

Year	Species of timber	Quantity	Dues paid
			$ cts.
1914–15...	Maple	306,199 f.b.m.	
	Beech	217,097 "	
	Hemlock	79,336 "	
	Basswood	7,034 "	
	Birch	2,433 "	
	Ash	1,930 "	
	Elm	721 "	
	Oak	296 "	1,037 47
1915–16...	Maple	264,614 "	
	Beech	186,953 "	
	Hemlock	123,733 "	
	Basswood	15,783 "	
	Birch	8,286 "	
	Ash	2,365 "	
	Elm	5,074 "	
	Oak	3,603 "	987 55
1916–17...	Hardwood (Chemical wood)	1,453 cords	726 50
1916–17...	" "	1,526¾ "	229 03
1917–18...	" "	8,779 "	1,316 85
1919–20...	" "	4,967 "	745 05
1920–21...	" "	3,159 "	604 65
1921–22...	" "	5,693 "	1,708 16

TIMBER CUT ON HOPE AND BECK

Year	Species of timber	Quantity	Dues paid
			$ cts.
1915–18...	Nil.		
1918–19...	Maple	689,805 f.b.m.	
	Beech	977,140 "	
	Basswood	18,709 "	
	Elm	7,360 "	
	Oak	4,274 "	
	Ash	4,256 "	2,905 05
1919–20...	Maple	455,259 "	
	Beech	435,848 "	
	Basswood	29,025 "	
	Elm	2,094 "	
	Oak	4,224 "	
	Ash	3,330 "	
	Birch	31,044 "	
	Cedar	35,310 "	
	Hemlock	660,572 "	
	Spruce	3,685 "	
	Balsam	5,577 "	2,396 30
1920–21...	Maple	134,489 "	
	Beech	167,214 "	
	Basswood	25,051 "	
	Cedar	74,602 "	
	Hemlock	373,192 "	1,054 99
1922–23...	Maple	540,869 "	
	Beech	360,421 "	
	Basswood	61,211 "	
	Birch	39,534 "	
	Cedar	125,849 "	
	Hemlock	488,618 "	2,450 88

BUSINESS OF THE HOUSE

PROPOSED LEGISLATION ON THE TRANSFERABLE OR ALTERNATIVE VOTE

On the Orders of the Day.

Mr. ROBERT FORKE (Brandon): An item appeared in the press the other day to the effect that the government had decided to drop the proposed legislation in regard to the transferable or alternative vote. In view of the fact that hon. members in this part of the House are anxious that this legislation be passed at this session, has the government any assurance to give to the House that this measure will be carried through, or that a bill will be introduced this session?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Any intimation that the government has decided that this measure will not be proceeded with is wholly inaccurate. The government has been considering how best to arrange matters in order to conclude the session. As my hon. friend knows, the whips have been discussing with each other the question of the remaining programme for the session, and this particular piece of legislation has been considered in connection therewith, but no decision has been reached with respect to not proceeding with the legislation already introduced.

ROYAL GRAIN INQUIRY COMMISSION

On the Orders of the Day.

Mr. W. T. LUCAS (Victoria): Has the government received any interim report from the Royal Grain Inquiry Commission, and if so, when will the said report be available for a member of the House.

Hon. T. A. LOW (Minister of Trade and Commerce): I expect the report will be in our hands in the next few days, and will be tabled early next week. I have had a communication to that effect.

INTER-ALLIED CONFERENCE

On the Orders of the Day.

Mr. H. E. SPENCER (Battle River): Could the Prime Minister give us any further information with respect to the Inter-Allied Conference to be held in London in July. Has the attention of the government been drawn to the following statement in the Ottawa Citizen of to-day?

> United States Ambassador Kellogg at London was instructed to-day to attend the forthcoming premiers' conference to discuss execution of the Dawes plan.
>
> His appointment was announced in a White House statement which said that Mr. Kellogg would attend the conference "for the purpose of dealing with such matters as affect the interests of the United States and otherwise for purposes of information."
>
> This action was determined upon after the state department had been advised by the ambassador that an invitation for the United States to participate had been handed the United States embassy in London. The White House statement declared that it was "the desire of the administration that the Dawes plan should be put into effect as speedily as possible."

Can the Prime Minister tell me if Canada has been invited to participate and is going to be represented, and if a day will be given us to discuss this matter in the House?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I imagine the article my hon. friend has read is a despatch from Washington which appears in this morning's paper.

Mr. SPENCER: Yes.

Mr. MACKENZIE KING: I have seen the despatch, but the attention of the government had not been officially directed to it. Yesterday I received from the Secretary of State for the Colonies a communication directing my attention to, or rather intimating that I would probably have seen in the press despatches the remarks of the Prime Minister in the British House of Commons on the subject of the Inter-Allied Conference. The communication stated that the Prime Minister was absent from London at that time, but that on his return to London a further communication would be sent to the government of Canada in reference to the matter. As I was coming into the House this afternoon I received from the Secretary of State for the Colonies a despatch to the effect that the Secretary of State hoped to telegraph again before the end of the week as to the Inter-Allied conference. Up to the present time however, the government has not received any official communication to the effect that a conference has been called, or as to the parties who are being invited to it, and until we are invited, I am afraid I cannot say to my hon. friend whether we will be represented or not.

Mr. W. F. MACLEAN (South York): That communication is signed by the Secretary of State for the Colonies. Has the Prime Minister ever drawn the attention of the British government to the need of a more appropriate term than "colonies" for those who make up the associated dominions?

Mr. MACKENZIE KING: I have never drawn attention to that particular title. It is an old historical title. Perhaps some day it will come up for discussion in this House, but I have not thought of making any intimation on the subject.

STRIKE OF POSTAL EMPLOYEES

MOTION TO ADJOURN TO DISCUSS A MATTER OF URGENT PUBLIC IMPORTANCE

On the Orders of the Day.

Sir HENRY DRAYTON (West York): I beg to make the motion which I have placed in your Honour's hands.

Mr. SPEAKER: I have received from the hon. member for West York (Sir Henry Drayton) the following statement:

> I ask leave to move an adjournment of the House under rule 39, for the purpose of discussing a definite matter of urgent public importance, namely that the arrangements made by the post office authorities for the handling of His Majesty's mails are wholly inadequate and do not provide for the proper and sufficient delivery of mail matter.

Rule 39 paragraph (1) reads:

> A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

Paragraph (c) of section (7) of the same rule states:

> The motion must not revive discussion on a matter which has been discussed in the same session.

It is true that the hon. member for North Toronto (Mr. Church) on the 17th June

asked for leave to discuss a matter of urgent public importance, namely, the application or request of the postal employees. On reading that motion of the 17th June, one will see at once that it had reference to a strike to be, not a strike in existence. Since then the strike has taken place, and if I understand aright the purpose of the present motion, it is to discuss the arrangements consequent upon the strike. I call the attention of the House to section (4) of rule 39. Referring to the member who makes the motion it says:

He then hands a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order, reads it out and asks whether the member has the leave of the House. If objection is taken, the Speaker requests those members who support the motion to rise in their places and if more than twenty members rise accordingly, the Speaker calls upon the member who has asked for leave.

Personally, I have some doubts as to the raison d'être of the present motion; but comparing the two motions, that of the 17th June and the present one, I see that the motion of the 17th June has reference, as I have stated, to a strike about to take place, while the present motion refers to the postal arrangements taken after the strike has occurred. Certainly it is a matter which is of grave importance but I have strong doubts as to its urgency, and for that reason I will ask the members who support the motion to rise in their places in order that I may see if the hon. gentleman shall have leave from the House to proceed with his motion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I rise to object to this proceeding. It seems to me that all the information that the House really desires to have on this matter can be obtained by a question on the part of my hon. friend and answer on the part of the government. We have set apart to-day to continue the debate on the church union bill, and I think it is the general wish of the House that we should carry out that intention. Apart altogether from the wording of the motion in its reference to the strike, I submit that the position in which the postal service is at the present moment is not one to be characterized as constituting a question of "urgent public importance" sufficient or such as to cause this House to change or delay the order of business for to-day.

Sir HENRY DRAYTON: If my right hon. friend were at all familiar with the situation that actually exists, he would never say that this matter is not one of grave public import. I have never yet heard any one take the position that the carrying on of an important section of the business of the Crown and its cessation, or partial cessation, is not a matter of grave public import. I do not think there is the slightest doubt that the motion is in order. The position on the 17th of June was entirely different from the—

Mr. SPEAKER: Order. Now that the objection has been taken, no discussion can be had on this motion for adjournment. The only question to decide presently is whether there are twenty members supporting the stand taken by the hon. member for West York. If there are twenty members, he is entitled to proceed with the motion.

Mr. GAUVREAU: What about those who are against it, if we have the majority?

Mr. SPEAKER: I wish to be perfectly clear. I desire hon. members to understand that I am not at liberty to refuse the motion even if I have a doubt—and I have expressed my doubt—when twenty members express a desire that the debate should go on.

The Clerk Assistant having stated that more than twenty members had risen:

Mr. GAUVREAU: I rise to a point of order. I want to know if according to your decision twenty members shall rule this House; and if there is any point of order, I am ready to stand by it. I say that we should consult the will of the House and have the majority one way or the other.

Mr. SPEAKER: The rule is very clear. There is no point of order in the point taken by the hon. member for Témiscouata (Mr. Gauvreau). Subsection (4) of rule 39 reads:

He then hands a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order, reads it out and asks whether the member has the leave of the House. If objection is taken...

And objection was taken.

...the Speaker requests those members who support the motion to rise in their places and if more than twenty members rise accordingly, the Speaker calls upon the member who has asked for leave.

Mr. VIEN: I rise to a point of order. The motion presented by the hon. member for West York covers the same subject as that which was raised the other day when the adjournment of the House was moved. I should like to have a ruling on that point of order.

Mr. SPEAKER: I gave my ruling at the beginning, that, in my judgment, the first motion moved on the 17th June by the hon.

member for North Toronto had reference to a strike to take place, whilst the present motion of the hon. member for West York is really quite distinct, it having reference to the postal arrangements made consequent upon the strike. Therefore, the question is not the same. I said, however, that I had my doubts as to the raison d'etre of the motion. But I have no liberty; I am obliged to follow subsection (4) of rule 39, that, if twenty members rise in support of the motion, the House must listen to the hon. member who moved the motion.

Mr. VIEN: Can we not appeal from your decision on the point of order?

Mr. SPEAKER: Certainly, you can appeal from my decision.

Mr. CARROLL: Did I understand the Prime Minister to raise the point of order whether the motion was or was not a question of grave public importance at the time?

Mr. SPEAKER: That is a question for the House to decide.

Mr. CARROLL: Is that not a question of order?

Mr. SPEAKER: No.

Mr. CARROLL: I understood that you ruled out discussion on that question of order.

Mr. SPEAKER: The rule says that when objection is taken, the Speaker calls on those members who support the motion to rise, and if more than twenty members rise, the debate goes on. But you can always appeal from my decision and I would not be in the least offended by the vote given.

Mr. MEIGHEN: I want to speak to the point of order. Before doing so, I should like the House to be informed that we on this side have no desire at all to withhold or to defer the debate on church union. A very brief time will suffice for our purpose. On the point of order: It is true that Your Honour has the ruling in the first place as to whether the motion is one that can be described as relating to a matter of urgent public importance. Your Honour has decided in favour of the mover. Then we proceed, and objection is taken. Thereupon twenty members rise to overcome the objection. That proceeding having taken place, it is too late now for any hon. member to appeal against Your Honour's ruling on the point decided some little time ago. The only time the appeal can be taken is immediately after the decision is given.

[Mr. Speaker.]

Mr. BELAND: Does the leader of the opposition say that His Honour the Speaker held that this was a matter of such urgent public importance as to justify a motion for the adjournment of the House?

Mr. MEIGHEN: His Honour so decided.

Mr. BELAND: I did not understand him to do so.

Mr. MEIGHEN: The question before the Speaker in the first instance was as to whether or not in his view the matter was of such a nature as to come within the category of "questions of urgent public importance." His Honour having given his decision in favour of the mover, objection is taken, whereupon twenty members overcome that objection. At that point it is too late to appeal from the decision of the Chair as to whether the motion is in order or not.

Mr. G. N. GORDON (West Peterborough): May I be allowed to direct the attention of the leader of the opposition (Mr. Meighen) to section 5 of rule 39:

> If less than twenty, but not less than five, members rise in their places, the question whether the member has leave to move the adjournment of the House shall be put forthwith, without debate, and determined, if necessary, by a division.

The next preceding section provides that the member who wishes to make the motion must hand a written statement of the matter proposed to be discussed to the Speaker, who, if he thinks it in order, reads it and asks whether the member shall have leave of the House to discuss it. I submit, Mr. Speaker, that the hon. member for West York (Sir Henry Drayton) failed to hand such a written statement to Your Honour and therefore has not complied with the rules governing this matter.

Mr. SPEAKER: The hon. member for West York has perhaps transgressed the letter but not the spirit of the rules. I must inform the House that the hon. member handed me the necessary statement before three o'clock, as soon as I reached the House.

Mr. MACLEAN (York): Handed it personally?

Mr. SPEAKER: Yes.

Mr. VIEN: In view of what the leader of the opposition has said I will withdraw my request to appeal from the decision of the Chair. We shall see, however, whether hon. gentlemen opposite will keep to their word and be brief.

Sir HENRY DRAYTON (West York): I regret with every hon. member of the House that it is necessary to make this motion at the present time; I am sure that this necessity must be a matter of regret to hon. gentlemen in every section of the House. However, I can assure you, Mr. Speaker, that I shall not detain the House very long. In view of what the Prime Minister (Mr. Mackenzie King) has stated, I want to point out that we have already tried in every way possible to have the solution of the present difficulty hastened. We have asked questions and have received no answers; we have done all that we can possibly do, but without avail. There is an appropriate way in which this question can be brought up, and that is in the consideration of the estimates of the department. We have not had that opportunity. In connection with those estimates my right hon. friend the other day said that the Postmaster General, was still away, ill. That is true; but it is also true that we have an intolerable situation in this country just now. We have mail which is accumulating in vast quantities; we have a situation in which it is impossible for business men to carry on their affairs; we have a situation in which families are utterly unable to correspond one with the other. In Toronto we have a situation in which business is being retarded through a practically complete cessation of the postal service. It is true that there are a few letter carriers in service at the present time; there are a few in the business section of the city. But as far as the city generally is concerned it is not getting postal accommodation. Now this is a matter of very grave moment to the city of Toronto and to every one there who has anything to do with business. And the situation is not improving; my information to-day is that the mails are not moving. Speaking for myself, I may remark that I am unable to get my Toronto mail; I have been writing to members of my family in that city and have received no replies, and over the long distance telephone I learned that they have not been getting my letters, either. It is idle to say that the business of the country is being carried on as usual; it is not. This is a matter which this government ought to look into at the first possible opportunity; for after all it is only this government that can deal with it. I say therefore that it is the absolute and the immediate duty of the government to take steps to provide some remedy for the present state of things.

Let me point out to the Prime Minister that this strike, which undoubtedly we all deplore and which it is true we feel was very unnecessary, was after all not a "Red" strike; there are some first-rate men among the postal employees who have gone out. I admit that these men made a mistake; they were misguided in going out. But cannot something be done to-day to bring them back? If my right hon. friend took a trip to Toronto and visited the post office in West Toronto he would see there for himself an utterly impossible situation, where people are unable to get their mail. I am sure that the Prime Minister if he saw things in that city with his own eyes would be convinced that the present intolerable condition of things demands an immediate solution. I am not exaggerating the gravity of the situation for a moment when I say that, and I want to appeal to the government to take action without further delay. I am not going to delay the House any longer; I simply want to urge upon the Prime Minister and his colleagues the existence of an urgent responsibility which it is incumbent upon them to discharge immediately.

Hon. CHARLES STEWART (Argenteuil) (Acting Postmaster General): I think in fairness to the House I should make some comprehensive statement with respect to this matter. On June 18 and on previous days we noticed from press despatches that a strike vote was being taken throughout Canada, on the part of all postal workers in the country, against the adjustment of the Civil Service Commission's scale of salaries. I am not going to go at length into the details of the matter because I do not want to detain the House, but I want to state the main facts. On June 18 I was in consulation with the executive of the Postal Workers of Canada in this city and discussed very fully with them their difficulties, and their chief complaint was that the minimum wage as provided for under that schedule was not adequate and that the scale of wages did not run high enough. I want hon. gentlemen to remember that the scale demanded by the postal workers was very much higher than that granted by the Civil Service Commission. The executive of the postal workers made no intimation on that occasion that they would be willing to accept any lower scale. In fact I told them, and I think they agreed, that it was useless at that moment to discuss wages.

We did discuss some of the difficulties that they complained of most bitterly, the principal one being that a portion of the bonus which they had been in receipt of since April 1 would have to be refunded on the lower grade salaries if the scale set by the Civil Service

Commission was to prevail. We agreed that no man should suffer by that reduction, but that we would immediately put into effect an order in council to provide that the bonus adjusted in 1924-25 would be continued until final adjustment of the whole matter, that is, at the point where the Civil Service Commission would have completed their duties and filed a new scale for the entire Civil Service. Not only that, but, as I mentioned in the House some days ago, the executive of the postal workers objected very strenuously because they did not have an opportunity to discuss all their difficulties with the Civil Service Commission in an intimate way—and I want to emphasize that expression,—in an intimate way. Frankly, Mr. Speaker, I had some sympathy with that contention. They also asked that the law be amended so that their particular case would be taken out of the hands of the Civil Service Commission. I pointed out that there was no necessity for any amendment of the Civil Service Act, that, as has been stated so often in this House, it already provides a course for dealing with matters of this kind, in that although the Civil Service Commission has jurisdiction over the adjustment of salaries and conditions generally in the service, yet the government of the day must either approve any action taken by the commission, or refer the matter to parliament for final consideration. I told the men that the government were prepared to appoint a committee as soon as the final adjustment was made, and that committee would sit around a table with them and discuss all their grievances, and that if the report by that committee to the government was to the effect that an adjustment was needed, the government would take the responsibility of recommending to parliament such adjustment. Those were the two things outlined in a letter which was handed to the executive of the postal workers when they returned to Toronto.

In the midst of the discussions the Toronto workers went on strike. Perhaps it is only fair to say that before the executive came here they had already issued a strike order to go into effect at five o'clock the following day. They did endeavour to get a twenty-four hours' stay, and, generally speaking, that request was heeded by the service, except in the case of Toronto and Windsor and a few other towns throughout Ontario. There never was any strike in western Canada, or any cessation of work, and there was very little cessation of work in eastern Canada with the single exception of the city of Montreal.

Now, Mr. Speaker, that is the history of the case up to date. I want again to say what I said in the House on a former occasion, that in my opinion the Civil Service Commission is the proper body to deal with matters of this kind. Until their investigation is completed, I am not prepared to say definitely whether or not there are inequalities in the case of the postal workers which should be adjusted.

I will deal now with the strike itself. In the city of Toronto practically every man in the service, 1,600, walked out at 5 o'clock Wednesday evening, June 18. In the city of Montreal less than half the staff went out, scarcely 600 all told. The difference between Toronto and Montreal to-day is that in Montreal we have the nucleus of a trained staff to carry on business so that recruits can be taught much more quickly; but of course there is no such nucleus yet available in Toronto. As to Montreal, to-day mail is moving almost up to normal. Undoubtedly there will be difficulties for some time with a new staff hastily recruited and put to work under conditions such as prevail during a strike.

But in Toronto the situation is entirely different. The day after the strike took place we recruited 600 new men. There is no trouble in securing men for this work; there are more men offering themselves than we are able to take on, except in Windsor only, where there is apparently a disposition on the part of the citizens to back up the strikers in their attitude that their demands must be met before they return to work. I will deal with the Windsor situation in a moment or two because I think most hon. members will agree that I am not of a fighting disposition. In the city of Toronto up to the present moment, so far as I am aware, there has never been an offer from the leaders of the strikers to return to work; they insist that first of all their demands shall be met. They have insisted upon this from the start, and if the government must surrender to strikers, then those demands must be met. True, yesterday and to-day there is evidence that the strikers are not going to be so insistent.

With respect to moving the mail—and that is what my hon. friend dwells upon most—the government and the officials of the department have done everything in their power to move mail in the city of Toronto. What my hon. friend says is correct, there is a large amount of mail still undelivered, but we are sorting mail in this city in order to relieve congestion in Toronto, and we are delivering that to the large business and apartment houses in the centre of the city in bags for

distribution by some individual in each building, and that distribution is going on throughout the central area of the city. It is true that in the outlying portions of the city we have not been able to reach business houses and manufacturers. But in the person of Mr. Lemon, the postmaster of Toronto, we have an excellent civil servant, a man who thoroughly understands his business, a man in whose hands we have placed the responsibility for the reorganization of this service, and a man who has shown that he is resourceful in meeting the tremendous odds and difficulties which handicap him at this time. These difficulties are indicated in a letter lying on my desk which I received a moment or two ago. It contains a report from substation E. It is pointed out that in that office there is a disposition on the part of the men who stayed on duty to delay delivery —which is what my hon. friend is complaining about—to hold up the public in line in order that they may be inconvenienced as much as possible in receiving their mail, although that mail is sorted and ready to be passed out through the wicket. I think the public ought to know this. I have no complaint to make about the police, I think they are rendering every assistance, but there are difficulties in places, and when you have a thousand strikers organized for the purpose of preventing delivery of mail, it is only natural to expect that they will do their best to create as much public inconvenience as possible.

As I say, no one wants trouble, and I am anxious to avoid it as much as possible. I hope that we shall soon be able to give a better service than we have so far been able to give. The key men, those who are the most valuable to the service, are the sorters in such large offices as that of Toronto. Every one of those men walked out, and it will take at least three or four raw recruits to do the work of one sorter who is trained in his business. It takes days to teach a man to do that work thoroughly. The trained sorter knows every street in the city; he can stand with a bundle of mail and sort it into the various bags for the different streets for delivery by the carriers, and he can do it much quicker than the man who does not know the city, who is not familiar with the streets, and who must proceed slowly in order to make a careful distribution of the mail. We are overcoming that difficulty as fast as we can. I am informed that Postmaster Lemon is recruiting a good staff, that he has obtained the services of men of intelligence and reasonable ability. I have no quarrel with the old staff; it was a splendid staff and very well organized. But they decided that they were going to take the law into their own hands and to proceed against the constituted authority of Canada, and by that decision they will have to abide. But it is my intention to give service and to give it as rapidly as possible. There will be inconvenience for some little time, but we now have almost 1,200 men recruited in Toronto. My hon. friend says there are men on delivery to-day. I question the advisability of starting a delivery before we have thoroughly organized the inside services; perhaps a delay of a day or two longer might have been advisable. But in his desire to restore the service as quickly as possible Postmaster Lemon has placed men out on delivery to-day, and I am willing to back him to the fullest extent in restoring the service in Toronto.

With reference to the strikers themselves, lest it be inferred that I have taken a position of intolerance with regard to them I may say that I was visited yesterday by the mayor of Toronto and I gave him a copy of the letter forwarded to the strikers. I do not believe those men were advised of the full purport of the letter given to the executive; I do not believe it was fully explained to them. I thought it advisable to give a copy of the letter to the mayor. Three other gentlemen were here who represented themselves as members of a Liberal club—Mr. Ross, Mr. Collins and Mr. Maguire. I gave those gentlemen copies of the letter, because they said they were in constant touch with the strikers and thought they could bring about a return to service of some of them. I noticed in the press this morning some statements that would indicate that again these men may not have been getting proper information, and again I hastened to get into communication with Postmaster Lemon and to tell him that my offer as made in the letter stood, and nothing else. We welcome everybody who will assist in a difficult situation like this, but I do not want it to be inferred that influence is being brought to bear in the matter by any section or any political party. Postmaster Lemon is in complete charge; he will remain in charge and will carry out the instructions contained in the letter which I delivered to the secretary of the strike committee when they left this city on Wednesday evening, June 18.

Mr. HARRIS: Will the minister read the letter?

Mr. STEWART (Argenteuil): It was published in all the newspapers, but I will read it presently. This situation is a very

serious one. For my part I do not think any government can countenance an organized strike among their workers. My letter is to the men on duty. I put no bar in the way of any man returning, but I will not treat with a man until he goes back on duty. I take that stand because I firmly believe that no government can afford to give way to a group of persons who undertake to dictate to them in a matter of this kind.

Mr. McQUARRIE: If the minister will permit a question, will he state the government's reasons for declining to agree to an arbitration board?

Mr. STEWART (Argenteuil): Yes. My letter makes reference to all that is involved in that connection, which was a conference with the strikers. What I want to make clear is that men who go off duty, who leave the employment of the government as civil servants, breaking the oath that they took as servants of the Crown, cannot be dealt with until they return to duty.

4 p.m.

Now, let me first read a letter sent by the strikers to the Prime Minister—and I may say in this connection that the executive of the postal workers did not get into communication with the government from the day on which they received the schedule from the government until they wrote the letter, when they arrived in Ottawa on June 18th, that I am about to read. Here is the letter:

Dear Sir:

Acting on the wishes of the membership of the organizations concerned, as expressed in a Dominion-wide ballot, a general strike in the postal service has been called to commence at five o'clock this afternoon.

It is regretted that the late hour at which this decision was arrived last night, and the necessity for haste in entraining for Ottawa in response to a call from the government, made it impossible to convey this information to you sooner.

The necessity for the action taken is deplored by all our officers and members who trust that immediate favourable consideration by the government may yet enable us to assist in averting the move called for by the postal employees.

To that the following letter was given to Mr. J. E. Archer in reply, at about 3.10 in the afternoon. We had spent considerable time in consultation with the committee. I quote:

Mr. J. E. ARCHER,
Secretary, Canadian Federation of Postal Employees,
Ottawa, Ontario.

Dear Sir,

This acknowledges receipt of a copy of your letter of even date addressed to the Right Honourable the Prime Minister advising him that:

[Mr. C. A. Stewart.]

"Acting on the wishes of the membership of the organizations concerned, as expressed in a Dominion-wide ballot, a general strike in the postal service has been called to commence at five o'clock this afternoon."

After discussion of this matter with the government, I am authorized to state that we regret the decision arrived at by your committee, and it is a matter of additional regret that your committee have not prior to this date officially indicated to the government your dissatisfaction with the recent salary revision for postal workers as authorized by the Civil Service Commission and the government.

Since the receipt of your letter of even date, a sub-committee of the cabinet has had the opportunity of discussing these matters at some length with your committee and have heard the views of your committee that further consideration should be given to the claims of the postal employees by the government.

In connection with this matter the Prime Minister in parliament yesterday stated as follows:

"We are prepared, when the Civil Service Commission has submitted its report upon the salaries of the entire civil service, to consider that report carefully in the light of all the material which we have before us and to make to parliament, if we think it advisable so to do, recommendations supplementing those which are contained in the report of the Civil Service Commission. But we do not feel that we are in a position to make any recommendations to parliament at the present time with respect to the postal employees; and I hope that the employees of the Post Office department will see that the position which the government is taking is one which is in the interests of the entire civil service of the country and in the interests of the taxpayers as well."

We also in discussion of this date learned of the dissatisfaction of the postal employees due to the fact that in certain cases the present salary plus 1924 bonus was higher than certain rates proposed by the Civil Service Commission for the same class of employees; and I am authorized to state that in the case of employees whose revised rates, as determined by the Civil Service Commission are less than the former rate plus 1924-25 bonus, such bonus shall be continued until salary revision for the entire service has been consummated.

I am further authorized to say that in carrying out the plan and action proposed by the Prime Minister in the above quoted paragraph that the government policy is that when the Civil Service Commission has submitted its report upon the salaries for the entire civil service, that opportunity will be given to the representatives of the employees in the postal department, or in other departments of the government who have objections to file against salary revision proposed by the commission to fully present their views to a sub-committee of the government, and to discuss such matters of differences as fully as may be necessary to ensure a thorough understanding, and it is hoped, a final and satisfactory agreement on the points in dispute.

I trust that your committee will at once take the necessary action to see that continuous operation of the postal service is maintained.

Mr. MEIGHEN: Will the minister answer this question? Embodied in his letter is there a notification that the government is prepared to restore last year's wage and bonus schedule?

Mr. STEWART (Argenteuil): No, it is the bonus of this year that is mentioned here.

Mr. MEIGHEN: Does that mean the bonus of this year in addition to what is recommended in the Civil Service Commission's report on salaries?

Mr. STEWART (Argenteuil): No, only to the extent to which the salary in the lower grades may be below the salary plus this year's bonus. Does my right hon. friend follow me? There were cases amongst the lower-paid employees, those with salaries about $1,200, or under in which the revision cuts the salary below what the postal employee was receiving under this year's vote, to some extent at least. What we agreed to do was to maintain that bonus to the extent that has been approved by the House.

Mr. MEIGHEN: Was the letter sent out before notification of the strike was received?

Mr. STEWART (Argenteuil): It developed in the discussion that day that that was what had happened, and it was one of the serious complaints made by the executive. In order to overcome that we arranged to do what is proposed here.

Mr. MEIGHEN: To do it though after the notification of strike?

Mr. STEWART (Argenteuil): Yes, or rather I should say this. The first official intimation we had of dissatisfaction from the executive of the employees was received about twelve o'clock that day.

Mr. MEIGHEN: Wednesday?

Mr. STEWART (Argenteuil): Yes, in a letter, stating—

Mr. MEIGHEN: It was the day before.

Mr. STEWART (Argenteuil):—that notice of a strike had been issued the night before. That is the point I was trying to make clear.

Mr. MACLEAN (South York): Will the minister explain the statement which appeared in the Toronto press this morning?

Mr. STEWART (Argenteuil): That relates to a letter a copy of which I gave to Major Hiltz, to Mr. Maguire, to Mr. Collins and to Mr. Ross. I gave them this letter because each one of these gentlemen informed me that as citizens of Toronto they had been endeavouring to induce the men to go back to duty and are very keen to have them do so. I want to make it perfectly clear that personally I have put no barrier of any kind in the way of the men returning to work. The only condition is that if these men's places are filled we cannot overlook that circumstance; but they will have to go back to duty without any promise on my part. I want to make it abundantly clear that that letter was written on the understanding that the men whom it affected were the men in the service, and that understanding will be carried out to the fullest extent. That letter was not intended for strikers.

Mr. MEIGHEN: At the time it was written all were in the service.

Mr. STEWART (Argenteuil): Yes, all were in the service when the letter was written, that is what I want to make clear. I also want to point out that the worst situation is in Toronto. There is, however, a serious situation in Windsor and the Border cities, and the mayor of Windsor is here waiting to discuss the matter with me now. In all fairness I must say that I have no two positions to occupy; I can only occupy one. It is that the men shall return to duty. As hon. gentlemen who have had to deal with matters of this kind know there is always a great deal of discussion about what shall be done but ever since this trouble arose I have invariably said to the men "Go back to your duty unconditionally." They have done so in Hamilton, and in Montreal, forty-five of them have returned in Toronto, and they are returning to duty elsewhere. They have done so in Brantford, Kitchener, Belleville and Peterborough. I cannot say anything different to the striking workers in the city of Toronto from what I have said to the men who have returned to duty elsewhere. In conclusion let me assure the House that every effort that is humanly possible will be put forth to give a delivery of mail in the city of Toronto. I regret, as every other citizen of Canada regrets, any inconvenience which has been caused, but at the earliest possible date service will be restored.

Mr. J. H. HARRIS (East York): I want to assure hon. gentlemen to my left and hon. gentlemen opposite that I shall not occupy very much time in discussing this question. When some resolution on an academic subject is proposed from either of those quarters there seems to be ample time for discussion, but that is not the case apparently when a matter of vital importance to the city of Toronto, one of the largest industrial centres in the country, a matter which threatens to paralyze business operations there, calls for consideration. At this time some of these hon. gentlemen arise in their dignity and frown upon discussion of this vital question. We should have a thorough discussion of a matter which so seriously affects the industrial life of the country. The Acting Postmaster Gen-

eral says that in this case he does not want a fight. The Prime Minister had a letter written to him on June 18, but where was he at that time? Was he here to receive that letter? I question whether he was or not. If he had been a big man—

Some hon. MEMBERS: Order.

Mr. HARRIS: —if he had been equal to the occasion he would have stayed in Canada.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: The hon. gentleman asks where I was on June 18? I was fulfilling an engagement that I had made three months before.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: The hon. member must be aware of the well known rule that he must confine himself to the subject matter of discussion. The question here has reference to the arrangements made by the post office authorities, and the hon. gentleman cannot go beyond that, otherwise I shall be obliged to call him to order.

Mr. HARRIS: Mr. Speaker, I bow to your decision. We will come right to the point, then. I will give the House an illustration. At 9 o'clock last night I went to the telephone desiring to telephone to Toronto. Do you think I could get through to Toronto? Not until twenty-five minutes to twelve last night could I get Toronto, because all the lines were busy. Doing what? They were carrying the communications necessary to hold together the business of the parties engaged. And why? Because in this country we have a postal strike. The telephone lines and the telegraph lines to Toronto are all tied up, because the business houses are trying to do their business by telephone and telegraph. I left Toronto on Monday night, and what did I see in front of the magnificent monument called the Union station? I saw a line of people four abreast stretching from Bay street to York street. What were they doing? Standing in line waiting for this government to have a little more action, to do something to give industries of the city of Toronto their mail. The minister admitted some three or four minutes ago that in this case it took four or five raw recruits to do the work of one man. He stated that he had about 1,200 in the service, and that it took about 1,500 men to do the work. What will happen in the course of seven or eight days? Multiply the four by the number of days and by the number of men, and what have you got? You have an aggregate of mail and material held up that is something appalling. It must appeal to the common intelligence of any man in this House when I say that this condition paralyzes the whole industrial fabric of that city, and as the Minister of Railways (Mr. Graham) would say when you paralyze Toronto you paralyze the whole of the province of Ontario.

Some hon. MEMBERS: No, no.

Mr. HARRIS: Do I hear some hon. members say no? I have great deference for my hon. friends from Quebec. I grant that Montreal is a very beautiful city. But as far as postal service is concerned hon. gentlemen will remember what I stated about a year ago, namely that the postal revenue in Toronto is equal to the revenue of Montreal and every town and city in the province of Quebec added together. It is the people of the city of Toronto who are producing this revenue, and this government says that the Civil Service Commission has jurisdiction. Is the Civil Service Commission responsible for this condition of affairs?

Mr. VIEN: Where does the hon. member get his statistics when he makes the statement that the city of Toronto brings as much money to the Post Office department as the whole of the province of Quebec?

Mr. HARRIS: I take it from the Canada Year Book, 1921, which I had in my hand at the time. Hon. members will find that is the fact.

Mr. VIEN: Canada Year Book, 1975.

Mr. HARRIS: I appreciate the hon. member's point. We will be there "with bells on" in 1975. I submit, Mr. Speaker, with all respect to the hon. minister that the government is responsible for the condition of affairs at the present time, inasmuch as they are not putting enough energy into the matter to see that the city of Toronto gets the mail service to which they have been accustomed. Any one in business knows that there is not very much done in a business house in the morning until the first mail is received. What do we do? We bring our staff down at eight or nine o'clock and wait for the mail. When the mail comes in we get busy. I could tell you a score of houses which have been paralyzed because the mail is not coming in. Some of them are getting it. I will give the House an example. On Saturday last week one business house got their commercial traveller to

leave his home at seven o'clock in the morning, so as to be in line to get the mail. He waited there until twelve. When he got to the wicket they said: "Your mail was taken half an hour since." He went home with that for an answer. He got two or three letters which came in during the half hour. When he got to his place of business he found that no mail had been received by them. He went back to get into line, but he had to stand in line till three or four o'clock before he could get in again, and when he got in he got two or three more letters. I have word from that house to-day that they had not received one-fourth of their mail during this last week.

Mr. STEWART (Argenteuil): If hon. gentleman who have inside knowledge of cases of that kind will give them to me, in twenty minutes I will have it transferred to the city of Toronto, and deliver the mail to these houses, as we are delivering to the inside circle of the city. If the hon. gentleman wishes to assist me he can do so very materially in that way.

Mr. HARRIS: I submit that I have been trying to assist my hon. friend in this situation from the very beginning. I am trying to do so now, but I want the government to grasp the situation and feel the responsibility of it. I do not want them to sit here inert. I would like to see the Prime Minister stay here and do his best to cure the situation—

Mr. STEWART (Argenteuil): I object to the word "inert". I trust that in circumstances such as these there is something coming to a man. I defy my hon. friend to say that I have been inert in this matter. I have been up night and day since this trouble arose, and I intend to stay on the job till it is through. I say to my hon. friend as one of the members for Toronto, and I think I am safe in making the assertion—and I say it on the authority of the man who is handling the situation, Postmaster Lemon, in whom everyone has confidence, and on the authority of the officials who went through the same situation in Winnipeg and know something about striking conditions—that you are getting a much quicker service than you did under similar circumstances previously. These men say that and I say it. I have not been in bed very many hours during the night since this matter came up.

Mr. HARRIS: No one would fail to appreciate the remarks of the hon. minister, but we might stay up night and day—the whole House might sit up night and day—and, if there is not some more action than we have been getting in the last week—

Mr. MACDONALD (Pictou): The hon. member has been doing a lot of talking as to what ought to be done. Will he tell us just what should be done?

Mr. HARRIS: I have been taking the minister's word for it when he says that it takes four to five raw recruits to do the work of one man, and he only had 1,200 enrolled to give the service which they require—

Mr. STEWART (Argenteuil): We could put 1,500 men on the work in Toronto, if we had the men to train them. Surely my hon. friend will be fair in the matter. We cannot take on more men than we have men to train. It is useless to have men standing round in the employ of the government if you cannot use them. As fast as these men can be trained for the particular job, we put them on. It is not lack of men. Lord knows, there are more men unemployed in Toronto than we can employ but the difficulty is in training them. I want the hon. member to be fair in that respect.

Mr. HARRIS: I take the acting minister's word that he cannot train them any faster, but I think there is something radically wrong with the service and with the Civil Service Commission. In my opinion there is too much bowing down to the Civil Service examination and to Civil Service jurisdiction.

Mr. STEWART (Argenteuil): The Civil Service examination does not prevail. Men who have not yet taken their examination have been taken on and put right on the work when they pass the examination by Mr. Lemon.

Mr. HARRIS: I submit the government is not making fast enough time to serve the industrial fabric of the province of Ontario, not so much in regard to settling the strike as in regard to getting the mail through in the different districts of the country.

Mr. MARTELL: I beg to move, seconded by the hon. member for Muskoka (Mr. Hammell):

That the House do now proceed to the Orders of the Day.

Mr. CHURCH: Is this motion debatable?

Mr. SPEAKER: Rule 35 reads:

A motion for reading the Orders of the Day shall have preference to any motion before the House.

Under that rule in Beauchesne's Parliamentary Rules and Forms hon. members will find the jurisprudence of procedure. Section 329 reads:

This motion cannot be debated nor amended under rule 17A. If it is resolved in the affirmative the original motion is superseded and the House must proceed at once to the Orders of the Day.

Mr. MEIGHEN: I wish to speak to a point of order. It is not that I am certain that anybody cares to speak; I do not know of any one; but I submit that a motion to proceed to the Orders of the Day cannot be taken in the middle of a debate. It takes precedence over any other motion, that is true. That is, as between one motion and another, this motion has precedence. But if we are to say that any member during any debate can move that we proceed to the Orders of the Day and thereby put an instant closure to the debate, that has never yet been done in our parliament, and if it is done, all our closure rules go for nothing.

Mr. SPEAKER: Rule 36, "Privileged Motions," reads:

When a question is under debate no motion is received unless to amend it; to postpone it to a day certain; for the previous question; for reading the Orders of the Day.

That is exactly the case in the present instance. A motion made by the hon. member for West York is before the House, and now another motion is made during the debate by the hon. member for Hants (Mr. Martell) under rule 35. I quite agree that under ordinary circumstances a debate cannot be interrupted by another motion. But this is a privileged motion, and if the right hon. gentleman (Mr. Meighen) will read rule 36 carefully, he will find that this motion is receivable at any time and is not debatable nor amendable.

Mr. MEIGHEN: I just wish to lay before you the consequences of the decision. It is not that the significance now is very great; but if this motion is approved by the government and carried, under the interpretation given, it means that the government can, by the right of a mere majority, stop debate at any time without notice of any kind. This is on the part of those who fought for weeks against a mild closure requiring two weeks to put it into effect.

Mr. MACKENZIE KING: It is not capable of the interpretation my right hon. friend puts upon it. Once the Orders of the Day have been reached, this rule does not apply. The object is to get on to the Orders of the Day, the business which the country has decided to go on with.

Mr. MEIGHEN: We have not yet reached the Orders of the Day.

The House divided on the motion (Mr. Martell) which was agreed to on the following division:

[Mr. Speaker.]

YEAS

Messrs:

Baldwin,	King, Mackenzie (York),
Bancroft,	Knox,
Beaubien,	Lanctôt,
Béland,	Lapierre,
Benoît,	Lapointe,
Binette,	Lavigueur,
Black (Huron),	Leader,
Boivin,	Lewis,
Bouchard,	Logan,
Brethen,	Lovett,
Brown,	Lovie,
Bureau,	Macdonald (Pictou),
Cahill,	Mackinnon,
Campbell,	MacLaren,
Cannon,	McBride,
Carmichael,	McConica,
Carruthers,	McCrea,
Casgrain,	McGiverin,
Chisholm,	McIsaac,
Copp,	McKay,
Crerar,	McMurray,
d'Anjou,	McTaggart,
Davies,	Malcolm,
Déchène,	Marcil (Bonaventure),
Delisle,	Marcile (Bagot),
Denis (St. Denis),	Martell,
Desaulniers,	Mercier,
Descouteaux,	Millar,
Deslauriers,	Milne,
Drummond,	Morrison,
Duff,	Morrissy,
Elliott (Waterloo),	Motherwell,
Fansher,	Munro,
Findlay,	Murdock,
Fontaine,	Neill,
Forke,	Ouimet,
Forrester,	Pelletier,
Fortier,	Prevost,
Fournier,	Pritchard,
Gauvreau,	Rankin,
Gervais,	Raymond,
Gordon,	Reed,
Graham,	Rinfret,
Hammell,	Robb,
Hatfield,	Robinson,
Healy,	Robitaille,
Hodgins,	Ross ((Simcoe),
Hoey,	Sales,
Hopkins,	Savard,
Hudson,	Séguin,
Humphrey,	Sexsmith,
Hunt,	Sinclair (Oxford),
Jelliff,	Sinclair (Queens, P.E.I.),
Johnston,	Steedsman,
Kelly,	Stewart (Argenteuil),
Kennedy (Glengarry and Stormont),	Stewart (Humboldt),
	Stork,
Kennedy (Port Arthur and Kenora),	Tobin,
	Vien,
King (Huron),	Ward,
King (Kootenay),	Woods.—120.

NAYS

Messrs:

Anderson,	Evans,
Arthurs,	Gardiner,
Black (Halifax),	Garland (Bow River),
Black (Yukon),	Garland (Carleton),
Chaplin,	Good,
Charters,	Grimmer,
Church,	Guthrie,
Clark,	Hanson,
Doucet,	Harris,
Drayton (Sir Henry),	Hocken,
Duncan,	Hubbs,

Irvine,	Shaw,
Jones,	Sheard,
Ladner,	Spence,
Maclean (York),	Spencer,
McKillop,	Stevens,
McQuarrie,	Stewart (Leeds),
Manion,	Sutherland,
Maybee,	Thompson,
Meighen,	Tolmie,
Preston,	White,
Ross (Kingston),	Woodsworth.—45.
Senn,	

The House thereupon proceeded to the Orders of the Day.

YUKON—LIQUOR IMPORTS

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): Is the treaty between Great Britain and the United States, signed at Washington on the 6th day of this month, which provides among other matters that liquors may be transported to Yukon Territory by way of Skagway across Alaska, now in force? And if not, what is the earliest date upon which it can be put into force?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The treaty is not in force and cannot come into force until it is ratified by both countries, and this will necessarily be after another session of the United States Senate.

Mr. MEIGHEN: What was the idea of Canada's minister hurrying down to Washington, either the day of the adjournment of the United States Senate or the day before, when the treaty could not have been ratified anyway?

Mr. MACKENZIE KING: He did not go the day of the adjournment.

Mr. MEIGHEN: The day before.

Mr. MACKENZIE KING: He was there a day or two before. It was hoped that the American government would find it possible to ratify the treaty and it was their desire that it should be ratified; but there was so much business apparently at the last moment of the session that the Senate did not reach it.

Mr. BLACK (Yukon): I want to ask a further question of the government in elaboration of the one I have already put.

Mr. SPEAKER: The hon. member may not do so except by unanimous leave of the House. This is the practice according to Bourinot; he should place his questions on the order paper. But with the indulgence of the House he may proceed to put a further question provided it is reasonably brief.

Mr. BLACK: In view of the Prime Minister's answer, would the government endeavour to obtain from the government of the United States an admission of Canada's right to import liquor into Yukon by way of the Yukon river? I asked the government this question earlier in the session and the Prime Minister replied that, in view of the fact that he hoped to announce soon that a treaty had been made between Canada and the United States on the subject, it was not deemed expedient to further inquire as to the interpretation placed on the Treaty of Washington by the government of the United States. Now that the treaty probably cannot be ratified until next December, an admission of Canada's right to import by way of the Yukon river is most important.

Mr. MACKENZIE KING: The matter is the subject of communication between the governments of the two countries at the present time.

UNITED CHURCH OF CANADA

The House resumed from June 24 consideration in committee on Bill No. 47, to incorporate the United Church of Canada,—Mr. Forke —Mr. Gordon in the chair.

The CHAIRMAN: The committee has under consideration section 2 and the amendment thereto moved by the hon. member for Lisgar (Mr. Brown).

Mr. ALFRED STORK (Skeena): This bill has been before the House since the 10th day of April. I had the honour and privilege of being a member of the Private Bills committee before which the bill in question was discussed, and I think I am saying nothing new when I observe that we are facing a very difficult problem in the consideration of this measure. Three churches in Canada, the Methodist church, the Congregational church and the Presbyterian church, appear before parliament and ask that legislation be passed to incorporate them into one body. We should have a very easy matter to settle if all of these three churches were unanimous in this request. Unfortunately, however, only two of them are unanimous; one of the three, the Presbyterian church, is very badly divided on the question. I need hardly refer to the great number of petitions and protests which have been submitted to parliament on behalf of those Presbyterians who do not hold that this union should be carried through. I believe that Bill No. 47 has attracted more attention in Canada than perhaps any other bill which has been before parliament in the last few years. The difficulty that now faces us exists largely within the

Presbyterian church itself; a grave dispute has arisen in that church, a large proportion of the members and adherents being apparently in favour of the proposed union while a large percentage have declared their objections to it. There appears to have been no way of settling the matter except by appeal to law. When a dispute arises over any question the logical conclusion is to try it in the courts; the courts are established for that purpose and in this particular instance I believe that no other course was open. It becomes more evident every day, at least to me, that the attempt on the part of the Presbyterian church, or of those who are in control of its affairs, to force that body into this amalgamation was an ill-timed one. I believe that the proper course would have been to let matters take their own logical course. But others thought differently and forced the issue, with the inevitable result that we are now faced with a tremendous split in the ranks of the Presbyterians.

It is not my intention to indulge in vain recriminations, because I do not think that any good purpose can be served in that way. We are faced I say, with this grievious trouble; and the way to approach the matter if we hope to secure a settlement is certainly not by aggravating the situation and trying to prove which side was right and which wrong. The discussion of this bill in the Private Bills committee has disclosed problems for which apparently no reasonable solution can be offered. No question can be settled, Mr. Chairman, unless it be settled right. I am confident that our friends the Methodists and the Congregationalists have no desire to force any unfair bargain on the Presbyterian church; I believe that they want to do only that which is based on right. One of the principal objections raised in the Private Bills committee was that there would be no finality in the court proceedings which had been instituted, that they were likely to be prolonged, and were started merely for the purpose of delaying the union.

I purpose, Mr. Chairman, to move an amendment to provide for definite action in the shortest possible time. I believe that a judgment handed down by the Supreme Court of Canada will be accepted by all parties concerned. This is a sincere effort on my part to reduce the friction, bitterness and hostility which have grown up over the proposed union. The division in the membership of the Presbyterian church is in itself a tragedy. My only purpose in presenting this amendment is to secure a definite verdict to clear up the question of legal right, for when this question is settled I am sure it will do away with the present controversy which is so ruinous to the best interests of the whole church movement. I trust that the hon. member for Lunenburg (Mr. Duff), and the hon. member for Lisgar (Mr. Brown) will find in this amendment common ground for a basis of settlement. I therefore move, seconded by Mr. MacLaren, in amendment to the amendment of the hon. member for Lisgar:

> The the amendment moved on June 24 by Mr. Brown that section 2 of bill No. 47, being an act incorporating the United Church of Canada, be amended by adding thereto the following words immediately after the words, "tenth day of December 1924":
>
> "Provided that as respects the Presbyterian Church in Canada, the provisions of this act shall apply only when all doubt has been removed as to the power of the General Assembly of the Presbyterian Church in Canada under its constitution and rules to agree to a union of the Presbyterian Church in Canada with the Methodist and Congregational churches upon the basis of union as set out in schedule A of this act:
>
> "Provided further, that this question shall be submitted for decision to the Supreme Court of Canada by a reference by the Minister of Justice."

Mr. HAMMELL: Mr. Chairman, I rise to a point of order. I submit that this amendment is out of order by reason of the fact that the necessary notice as required by rule 112 has not been given. This rule states:

> No important amendment may be proposed to any private bill, in a committee of the whole House, or at the third reading of the bill, unless one day's notice of the same has been given.

I submit, Mr. Chairman, that the committee has not had the requisite one day's notice of this amendment.

The CHAIRMAN: Does any other hon. member desire to speak on the point of order before a ruling is given by the Chair?

Mr. MACDONALD (Pictou): I desire to point out, Mr. Chairman, that Votes and Proceedings of yesterday contained notice of this amendment, and I submit that that is compliance with the rule quoted by the hon. member for Muskoka.

Mr. STORK: Mr. Chairman, I submitted this resolution in an endeavour to find a solution for the difficulty which confronts us. Although we have wrestled with this problem for three or four months, I regret to say we have not got very far along the lines of compromise. I was convinced that I had got something that would at least bring us together on common ground. I trust that mere technicalities will not be allowed to upset this amendment, because, if so, we will be compelled to fall back upon the Duff amendment, which perhaps will not be altogether as acceptable and agreeable. I have no desire to utter any

5 p.m.

threat. I earnestly implore the committee to accept my amendment in the spirit in which it is offered as a sincere effort to effect a solution of the problem before us.

Mr. IRVINE: What is the essential difference between this amendment and the amendment of the hon. member for Lunenburg.

Mr. STORK: Time is the essence of the agreement.

Mr. IRVINE: How much time?

Mr. DUFF: At least a year.

Mr. PUTNAM: The hon. member for Skeena (Mr. Stork) has implied that his amendment would probably lead to a solution of our difficulties; that is to say, that everybody would accept the bill as so amended. Have I correctly interpreted my hon. friend?

Mr. STORK: I think that the whole question before the court deals very largely with property rights. So far as I am concerned personally, I would accept the verdict of the court, whether it be for me or against me, because I believe in the kind of fight where the winner takes all.

Mr. PUTNAM: My question practically was whether the hon. gentleman is guaranteeing that the decision of the court, whatever it be, would be accepted by all parties concerned. He used the strong word "solution" in commending the probable success of his suggestion.

Mr. MACDONALD (Pictou): I rise to a point of order, Mr. Chairman. I understood that the Chair desired to hear hon. members as to whether the point of order raised by my hon. friend from Muskoka (Mr. Hammell) was correct or not. My hon. friend from Colchester (Mr. Putnam) is proceeding to discuss the merits of the resolution.

The CHAIRMAN: Undoubtedly the point or order to be dealt with is whether the notice of this amendment given in Votes and Proceedings of yesterday, and delivered to hon. members this morning, constitutes the one day's notice required by rule 112.

Mr. MACKENZIE KING: Mr. Chairman, before you make a ruling, may I direct the attention of the committee to the fact that only on the ground of a technicality at most would the amendment be ruled out? Should it be ruled out by your decision, the hon. member who presented it will not be prevented from moving the amendment at a later stage of the debate. As the Minister of National Defence has pointed out, notice does appear in yesterday's Votes and Proceedings, and a broad interpretation of that notice would indicate that the rules of the House have been complied with. This notice was given yesterday, and it appears in printed form in the Votes and Proceedings of yesterday. If that time is not sufficient, certainly this amendment would be in order to-morrow, and I cannot see that the time of the House would be saved in any way by our taking up this amendment to-morrow instead of disposing of it immediately. As the hon. member for Skeena (Mr. Stork) has just pointed out, this amendment is more likely, in his opinion at all events, to bring the parties as near toge her as they can be brought in view of the unfortunate difference that exists between them. In any event it will serve to determine quickly the fate of the amendment and the clause now before the committee. All parties are anxious that a decision on this question be quickly reached, and I should hope therefore that the committee would agree to allow this amendment to stand. The only effect of my hon. friend's objection if sustained will be to have this debate continue for a longer time; it will not assist the argument one way or the other, while it may occasion a little more acrimony in discussion and, generally, serve no useful purpose. If we can in this matter, which is of great concern to all of us and to the country, take any step of a conciliatory character, one which will expedite a final settlement, I believe it is the will of the committee that we should do so.

Mr. MACDONALD (Pictou): I was looking in Beauchesne's book for the purpose of finding out whether there was any statutory definition of the word "day." The rule says that a day's notice of a resolution or amendment to a private bill shall be given. Now, in the record of the Votes and Proceelings of yesterday, Wednesday, the 25th of June, there is contained a notice of this motion, and that, I submit, is substantial compliance with the rule. The Votes and Proceedings, which record what was done yesterday, contain this notice, which was filed with the clerk the day before its proposed consideration by the committee. The night before last when we were discussing this question, I rose to a point of order which, I was then satisfied, as I am satisfied now, was a proper point to raise and should have been decided in accordance with my contention. As was suggested, however, we were dealing with a measure which the committee desired to consider in the broadest and fairest possible way to all parties concerned, and notwithstanding the fact that I was buttressed by authorities

of the strongest kind, in deference to the suggestion of the hon. member for Simcoe (Mr. Boys) I did not appeal from the decision of the Chairman to the whole House. I do not know what view you hold, Mr. Chairman, in regard to this matter, but I submit that for the Chairman to rule in accordance with a rigid compliance with the rules would be to assume an attitude entirely diffrent from that which the Chair adopted two nights ago when we were dealing with the question I brought up, because upon a rigid interpretation of the rules and having regard to the authorities cited, the point was decisively in my favour. In dealing with this question we must listen to any reasonable suggestion that is made by hon. members in good faith, having regard to the importance of the matter involved, touching as it does the interests of a large proportion of the people of this country more intimately than any question I have known of in my parliamentary experience. I have not the least doubt that the rule has been substantially complied with, and I think it would be in the interests of the promoters of this bill if the hon. member (Mr. Hammell) would withdraw the objection he has raised.

Mr. COOTE: I do not know very much about the rules of the House, and I must say I am no stickler on rules. But this notice which has appeared in the Votes and Proceedings should not be considered a day's notice to hon. members. Speaking for myself, I never saw the notice, and I think the same would apply to the majority of members. It is a matter of some seriousness that hon. members should be asked to pass on an amendment of such great importance without having notice.

Mr. CALDWELL: May I ask the Chairman when the copies of yesterday's Votes and Proceedings were placed on the files, yesterday or this morning?

The CHAIRMAN: I do not know.

Mr. MACLEAN (York): I may not be quite in order, but may I ask when this debate is to be finished? I think the committee is ready to settle the question, and if we can come to some understanding as to this amendment I think we should do so.

Mr. MACKENZIE KING: Rule 40 of the House, requiring two days' notice for certain classes of bills and motions, is as follows:

> Two days' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for the putting of a question; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House. Such notice shall be laid on the table before five o'clock, p.m., and be printed in the Votes and Proceedings of that day.

I understand the custom has been that where the Clerk of the House has received notice in time to have it appear in the Votes and Proceedings of the day following, the two days' notice has reference to the appearance of the notice in the Votes and Proceedings of the day previously. Where one day's notice is required of amendments to private bills, the rule is:

> No important amendment may be proposed to any private bill in a committee of the whole House, or at the third reading of the bill, unless one day's notice of the same has been given.

I think, Mr. Chairman, the same interpretation should govern with respect to one day's notice. I understand that the Clerk of the House is quite prepared to state that he is following exactly the same practice with reference to the one day's notice in this regard as he follows with reference to the two days' notice in other cases.

The CHAIRMAN: Objection is made by Mr. Hammell that the amendment moved by Mr. Stork is out of order under provisions of rule 112, which says:

> No important amendment may be proposed to any private bill in a committee of the whole House, or at the third reading of the bill, unless one day's notice of the same has been given.

It seems to be agreed that this is an important amendment and therefore requires notice.

While it is true that Votes and Proceedings in question, number 77, bears yesterday's date it was delivered to hon. members in the regular course of events at about ten o'clock this day. The rule requiring notice for private bills puts those bills in a different position from that of any other bills, or resolutions or motions. Notice is required of this particular matter and the object of that notice is to permit publicity and prevent surprise. The Votes and Proceedings were delivered this morning, and the fact of whether or not notice of the amendment was sent in before five o'clock last evening cannot, I think, influence my decision in this matter. The day, notice is handed in, is considered the first day, the day the notice is printed the second day, and on the third day following the matter dealt with may be debated. I cannot bring myself to the view, notwithstanding the arguments which have been so well presented, that a notice of motion of an amendment to

a private bill, filed with the Clerk last night, or at any rate before five o'clock, and delivered to the members on the morning of this day, is a sufficient notice under rule 112. For that reason I must rule that the amendment moved by the member for Skeena (Mr. Stork) is not in order. It has been said that if the debate continues the amendment will be in order. It would be, of course, operative to-morrow and on each subsequent day its regularity would be as strongly established, but I feel that I am acting according to the requirements of rule 112 to-day when I rule that the notice of motion in question is out of order. The debate therefore continues upon the amendment of Mr. Brown to section 2, and the hon. member for Swift Current has the floor.

Mr. A. J. LEWIS (Swift Current): As a member of the select standing committee on Private Bills and one who has been vitally interested in the subject that is being debated at the present time I wish to make my position plain. We have heard many views expressed by members of this House and by members of the Presbyterian Church in Canada, but it is not as a minister of that church that I wish to place my views on record. Of course I am not speaking ex-cathedra or ex-officio but as a member of parliament.

Mr. CANNON: I rise to a point of order. The hon. gentleman has just stated that he was addressing this House as a minister of the church. He is therefore interested in this question.

Mr. CRERAR: No, no.

The CHAIRMAN: I am afraid the point of order is so highly technical that I have failed to grasp it.

Mr. CRERAR: The hon. member stated that he was not speaking as a minister.

Mr. LEWIS: In my opinion arguments for or against union—

Mr. MARTELL: I rise to a point of order. I think the point taken by the hon. member for Dorchester is absolutely correct. No hon. gentleman has the right to address the House as a minister of any denomination; he must address it as a member of this Chamber.

The CHAIRMAN: Of course an hon. gentleman must address this body as a member of the House, not as a minister of any particular denomination. I did not quite catch what the hon. member said and therefore do not entirely comprehend the objection raised by the hon. member for Dorchester.

Mr. CRERAR: The hon. member for Swift Current stated explicitly that he was speaking as a member of this House not as a minister of the church.

Mr. LEWIS: The report in Hansard to-morrow will clearly indicate what I said. I made it quite plain that I was speaking as a member of this House.

Now, in my opinion the arguments for or against union do not or should not enter into this discussion. This is a religious prerogative over which no parliament under the British flag has any jurdisdiction. Moreover it is conceded by the chief counsel of those opposing the bill that those Presbyterians who wish to unite with the other bodies have a perfect right to do so. What they object to, is the taking of the whole Presbyterian church into organic union with the Methodist and Congregational churches while a considerable minority are opposed to it—and they have attacked the promoters of union on the following grounds:

1. That the church has not the power to change its constitution.
2. That it exceeded its constitutional authority in negotiating with the other churches with a view to organic union.
3. That the bill would cause a violation of the church's trusts.
4. That it destroys the doctrine of the church, the Westminister Confession of Faith.
5. That it is clercial coercion.

These arguments have been advanced by various members and in divers ways, and it is my intention if possible to prove the falsity of their claims. Quite a number of speakers have suggested to the committee that it is not a wise thing to reverse the judgment of the standing committee. It has been claimed that the committee who listened to the arguments both for and against union is the best judge of the situation and they have quoted Bourmot and May in support of their argument. Now, I do not think that the argument presented in support of such a position is well founded, for the following reasons. In the first place, when any amendment is proposed to the preamble of a bill that has been accepted by parliament and sent to the select standing committee, it must be specially reported to the House, so that the members may know that such an amendment has been added. Why do the rules of the House demand that attention be drawn to the amendment, if it is not for the purpose of giving the committee the opportunity of rejecting or accepting an amendment that has been added to the bill? In the second place, it is well for this committee to know that

the promoters of the bill do not agree to have this clause inserted in the preamble, and it was only inserted by a majority of the committee at an opportune time, when those opposed to the bill had a majority in committee. The same can be said of the section under discussion. Anyone who reads the original bill that passed the first reading in this House and was referred to the select standing committee, will know that it is entirely new, and was placed there in spite of the opposition of those who supported the measure. Under these circumstances, it seems to me to be one of those exceptional cases mentioned in Bourinot and May, and which was quoted at least twice during the course of this debate, by those opposed to the amendment of the hon. member for Lisgar (Mr. Brown). Therefore, in my opinion, this committee have a perfect right to reject this added section and to accept the proposed amendment that is before them.

Another argument advanced against the repealing of this clause is that the General Assembly is not the church; neither does it represent the people. Well, one might ask the question; "If it is not the church or the government of the church, and does not represent the people, what is it, and whom does it represent?" The people who are opposed to this bill, and who claim to be the stalwarts who champion the perpetuation of the Presbyterian Church in Canada by their arguments are striking at the very foundation of Presbyterianism. One member in his zeal for the church declared it clerical and official and ecclesiastical. Well, it might be well for such members to adhere a little more closely to that precious but much abused document, called The Westminster Confession of Faith. Let us see for a moment what this document says in regard to it. Section 31 of the Westminster Confession of Faith deals with the government and edification of the church. These assemblies are called synods and councils.

Section 3 reads as follows:

> It belongeth to synods and councils ministerially to determine controversies of faith, and cases of conscience; to set down rules and directions for the better ordering of the public worship of God, and government to His church; to receive complaints in cases of maladministration, and authoritatively to determine the same: which decrees and determinations, if consonant to the word of God, are to be received with reverence and submission, not only for their agreement with the word, but also for the power whereby they are made, as being an ordinance of God, appointed thereunto in his word.

I shall have occasion to refer to this question again when dealing with another argument which has been advanced against the constitutionality of this bill, but for the present I am endeavouring to show to this committee that the assemblies and synods are peculiar to the Presbyterian form of government, and in the Westminster Confession of Faith have specific functions in regard to matters of faith and public worship. And, the conclusion reached by these same assemblies, if consonant with the Word of God, must be received with reverence and submission of the faithful.

So far, I have never yet heard the statement by my hon. friends and brethren that the union of the churches is inconsistent with the Word of God, and if this is not so, upon what ground do they attempt to oppose the union of the churches?

I, myself, as a Presbyterian minister was opposed to union during the early negotiating stages, but after the church had spoken with no uncertain sound through her courts, presbyteries, synods and assemblies, I acquiesced in the judgment of the majority, and as an obedient servant of the church and true to my vows at ordination, I could not conscientiously do otherwise.

The statement was made that: "If another vote was taken 75 per cent of the people would vote against it"; This is a mere guess and at least problematical, and the recent vote in the assembly does not bear out the argument.

It was further stated that the vote of 1916 is eight years old, and therefore, its value as a criterion of what the people want to-day is useless. Now, at the first glance this argument seems very plausible, but, on the other hand, I think it was clearly shown by Dr. Pidgeon in the committee that since that vote was taken, the church has proceeded just as fast as it was constitutionally possible for the Presbyterian church to do. I do not wish to take time to explain this, but let me say that a compromise was made at Winnipeg that the union question should be laid over until after the war and, when that time had elapsed, the assembly again took up the question of union and you are all familiar with the results.

Mr. PUTNAM: My hon. friend stated that formerly he was opposed to the union, and that when the judicial attitude of the church was for union, he as a follower of the church fell into line for union. Does he support this bill on his personal view of the merits of the bill or for the mere reason which he has advanced?

Mr. LEWIS: It must be remembered that this question has been before Canada for at

least twenty years, and my own experience as a missionary of the church goes back twenty years. In the early stages I was against it, as I admit, but in view of my experience as a missionary in the West I am heartily in favour of union. It has been stated by the hon. member for Lunenburg (Mr. Duff) that the personnel of the assembly is much the same. For some mysterious reason or other the commissioners chosen are always in favour of union. It may be true that a certain number of prominent members who are officials, are usually found at the assembly, but as regards the personnel of the assembly, seven-eighths of the commissioners are changed every year. Let me give this statement in regard to the vote of the General Assembly which met at Owen Sound in 1924.

Principal Fraser's motion approving the Duff amendment to the union bill was defeated by 444 to 92 in the assembly. Dr. Pidgeon's first motion was adopted by 427 to 96, and the names were recorded. Of the 523 voting 431 had not voted on union at the assemblies at Winnipeg in 1916, Toronto in 1921, or Port Arthur in 1923, where decisive votes on union were given and the names recorded.

In these four assemblies 2,094 votes were cast on union by 1,883 different persons as follows:

	For	Against	Not Voted Previously
1916..	404	90	494
1921..	414	107	460
1923..	427	129	498
1924..	427	96	431
	1,672	422	1,883

The percentage of duplication is less for those voting for union than for those voting against. Of the 1,672 votes for, 1,504, or 90 per cent, were given by different persons. Of the 422 against, 369, or 87½ per cent were given by different persons. Two were privileged to vote at all four assemblies—a venerable leader of those opposing, and a missionary superintendent favouring union. The duplications are largest in the Presbyteries of Halifax, Montreal and Hamilton.

I think I have stated that the members of the assembly, in the four assemblies that have voted for church union, are not the same each year the vote is recorded. I think it is well for this committee, especially those who are not familiar with the Presbyterian system of government, and who perhaps belong to different churches, to weigh very carefully the appeals that are made by those who are opposed to the bill when they speak of the vote of the people. That people have become Presbyterians instead of belonging to some other denomination is due to the fact that they believe in the system of government which is peculiar to the church. Surely no member of this committee would seriously say that we must adopt another method or form of government, in order to pass this bill. To me, it is preposterous that any body of men should say that the church, through her courts, presbyteries, synods and assemblies has not the right to change or control the destiny of the church

What would the Anglicans and Roman Catholics say to a body of men, whether members of parliament or otherwise, who dictated to them in regard to the rules and regulations governing their church, or who declared, when a bill was brought before parliament that before it could pass its promoters must prove that it had a majority of the members of the church behind it and, on top of that declaration, insisted that it should be sent to the courts?

How would you expect us to act if the situation was reversed? That is the question we have to consider, and if it can be proved that the church has acted constitutionally from the beginning to the time this bill came before parliament, I see no reason why this bill should not get the unanimous consent of this parliament.

The argument was raised by the chairman of the committee that the settlement of the union question is not for parliament but for the courts. I count the hon. member who was chairman as one of my most personal friends in this House, and his conduct during the very trying session was beyond reproach. I do not, however, agree with him, when he stated on Wednesday night that the matter of faith and doctrine was not for this parliament, but for the courts, to settle. I do not think the hon. member, on reflection, would repeat the statement. It surely is not for this parliament, or any parliament, or the Supreme court, or the Privy Council, to judge in matters of faith and doctrine. It is distinctly stated in the section which I read from the Westminster Confession of Faith that, the matter of faith and doctrine, as well as matters of conscience shall be settled, not by civil courts but by the courts of the church, and it is a privilege and prerogative that every church claims in Canada. Thus parliament to my way of thinking would be very unwise to force such an issue in the courts at the present time.

The hon. member for Lunenburg (Mr. Duff) also made the statement that the bill before parliament was not the same bill that

had been presented to the General Assembly at Port Arthur in 1923, and in support of his argument he read the two preambles. I will admit the church did not ratify the amended preamble as in the present bill before the committee, but the original preamble that was introduced into the House by the hon. member for Brandon was essentially the same in principle, but possibly couched in different language.

This bill, as we all know, was repeatedly amended by the committee and that, of course, is their prerogative. But, with two exceptions, the bill has been agreed to by the lawyers and officials, who have been here representing the church. And moreover, the bill, I understand, with the two exceptions—the amendment to the preamble and the new clause added by the committee—has been ratified by the last General Assembly with an overwhelming majority. Therefore, there is really no value in the hon. member's claim.

The statement has been made during the debate that the bill is coercing a substantial minority into a united church to which they are opposed. Now, I understand from the committee that the present bill had been amended by the committee and that that difficulty had been overcome to the satisfaction of both sides. It is now understood that any congregation has the right to vote on the subject, before the bill becomes law, and if the vote is against union, it is understood that it never became a part of the united church. The same is true of non-concurring members, if hon. members will read section 4 (e) of this bill.

Mr. MacLAREN: In reference to compelling people to go into a church into which they do not wish to go, how does the hon. member explain the action that the bill would have on the minority of a concurring congregation? That is to say, in a congregation in which the majority is in favour of union and in which there is a minority against union, how does he regard the treatment of the minority?

Mr. LEWIS: It is not my intention to discuss the details of the bill; but if the hon. member will read section 4 (e), he will find that provision is made for non-concurring members of a congregation that decides to go into union. When we come to that part of the bill, that will be the time to discuss the question.

Mr. MacLAREN: This is not a detail. I am referring to a principle—the treatment of the minority of a concurring congregation.

[Mr. Lewis.]

Mr. LEWIS: I think it is perfectly right to say that any member of any church has a right to withdraw if he so desires, and unite with another church.

Mr. MacLAREN: According to the hon. member, he has two options, one of remaining in a church which is forming a union into which he does not wish to go; the other of leaving the church.

Mr. LEWIS: The hon. member has a right to draw his own conclusions, and since he was on the committee and knows that the committee endeavoured to adjust this question satisfactorily—and I believe did to all intents and purposes to the satisfaction to all in the committee—I do not think it is wise for me to discuss this matter any further. When the details of the bill are up for consideration that is the time to discuss that question.

Mr. MacLAREN: I thought it would be a rather awkward question to answer.

Mr. LEWIS: It may be awkward for the hon. member who takes the position he does, but for me it is a very simple matter.

The hon. member for Lunenburg made the statement that the West is not favourable to union, as the committee was given to understand, and in support of his claim, he stated that only 32,000 out of a total of 80,000 membership of the church had voted for union. His figures may be substantially correct, but the hon. member did not give us the number that voted against union, so for that reason, unless he supplies both figures, it is difficult for anyone to make a comparison.

It is further stated that only 51 per cent of the total membership of the church has voted either for or against union, with the other churches. That is true. But how can we gauge the public opinion on any subject, unless it is by those who have interested themselves sufficiently to make it worth their while to vote? In an election of any kind, whether upon prohibition, the election of a member of parliament, or any other great public question, it is the actual vote that counts, and the governments of our land act accordingly.

The hon. member for Brantford (Mr. Raymond) waxed quite eloquent in his appeal for the minority to have the right to go to the courts for redress, and he said that if only one member was against union, he should not be denied that right of redress by this parliament. I certainly agree with him, but surely the hon. member is not serious in such a statement with respect to this bill. There is quite a difference between parliament giv-

ing the individual the right of redress through the courts of our land, and, on the other hand, forcing the issue and making the bill dependent upon a decision of a court of law. This bill does not deny the right of any minority to proceed to get redress from the state, but it does ask parliament to exercise its prerogative, and assume that responsibility in the case of this bill that it is doing every day of the session in regard to other legislative acts.

I wish to say a few words in regard to the amendment made to the bill by the hon. member for Lunenburg (Mr. Duff) because that is the one we are speaking against, and we are speaking in favour of the amendment moved by the hon. member for Lisgar (Mr. Brown).

I was one of those seven members who were appointed a sub-committee to inquire with three representatives from both sides of this question. The hon. member for Lunenburg was quite frank and correct in his statement to the House, that the representatives failed to agree. The result of the deliberation, however, was a clarified amendment. Now there is one very grave weakness in the amendment. It has been claimed that if we are sure that the church acted in a constitutional way we should have nothing to fear from the action of the court. There may be a certain force in that argument; but let me say that the church through her constituted courts does not believe that the civil courts have the right to say what is the constitutional power of the church. The assembly is the sovereign power of the church.

For support of that statement I refer to the Westminster Confession of Faith and also to the documents and authorities given in the Blue Book. Section 122 says:

> The General Assembly being the supreme court of its church, its decisions are final.

It seems to me that the church has a right to say what its constitutional power is in regard to this bill.

The weakness of the amendment, however, is this. The proclamation of the act depends upon a final judgment of the court or courts—the Supreme court and finally the Privy Council. It makes no provision, however, if the courts refuse to make a decision either one way or the other.

The result of a non-decision would be disastrous to all the churches and could only bring turmoil to her people and a general chaotic condition on her frontiers.

The Scottish Wee Free case has been quoted very extensively by those who are opposed to the bill in support of their claim. Now I do not wish to enter into any extended arguments about it but I think it is unanimously agreed that the case holds good only if it can be proved that the Presbyterian church had not the power to change its doctrine.

The learned counsel, Mr. Lafleur, of those opposed to this bill admitted that, in the case of the House of Lords decision of 1904, if the doctrines and governments had been identical no case could have been made out against the promoters of the union of the Free and the United Free Churches of Scotland. But no one has proved so far that the Presbyterian church has not the constitutional right to change its own doctrine and order. Even the Westminster Confession of Faith in the sections that I have quoted gives it that power, and the Blue Book, which lays down the regulations and rules of the Presbyterian church, assigns it that authority; and in two cases at least, the Westminster Confession of Faith has been amended so as to conform to the changing times. There is, of course, protection against any ill-advised changes; and before any radical change, either in doctrine or procedure, becomes the law of the church, certain rules and regulations must be complied with. To those familiar with our churches this is known as the Barrier Act. But when the Barrier Act has been removed then the assembly has the constitutional right to proclaim the doctrine submitted to the presbyteries, under the Barrier Act—the doctrine of the church.

Now it is a fact well known to the committee that the basis of union was submitted to the presbyteries, under the Barrier Act, for their approval and that it received the almost unanimous consent of the presbyteries. And the General Assembly since that time have acted accordingly. Therefore in my judgment the basis of union is the real doctrine of the Presbyterian Church in Canada and of the other two churches which have approved it. So that the doctrine and policy of the three negotiating churches being identical, the argument of the Scottish case falls to the ground, as not applicable to the Presbyterian Church in Canada.

The arguments for the trusts of the church fall into the same category and thus the conclusions reached in my former arguments have the same force here; that is to say, the trusts of the original church have not been violated by the entrance of the Presbyterian church into organic union with the Methodist and Congregational bodies.

Mr. PUTNAM: Does the hon. gentleman believe that the basis of union brought into

being with the consummation of the union of the three negotiating churches is some tangible change from Presbyterian doctrine as it has been hitherto?

Mr. LEWIS: I do not know that that has very much bearing on the subject; as I have endeavoured to prove, the Presbyterian church has the constitutional power to change its doctrine.

Mr. FORKE: There is no conflict anyway.

Mr. PUTNAM: I am interested in the hon. gentleman's argument but I gather that he has doubts as to that constitutional power.

Mr. LEWIS: I have absolutely no doubts or I would not take this position to-day.

Mr. PUTNAM: I cannot say that I am entirely free from doubt on that point.

Mr. LEWIS: Well, the hon. gentleman may have his doubts. As one who has attended church courts and who has sworn in his ordination vows to respect those courts I say that in my own opinion, in my own conscience and in my own belief in religious liberty, the church has that power and there is no doubt about it.

In closing, let me say this. I think the members on both sides of this question are to be congratulated on the way in which they have carried on the debate. They have manifested a high degree of sincerity and fairness. The debate has reached a high level, worthy of the best traditions of the church and the honour and dignity of this parliament. Let us as we vote on this question remember that we are living in a strenuous age. Time is rapidly moving onward; many great changes are taking place around us; it is an age of progress; and if there is one thing that we as a parliament should remember it is that old Latin proverb, "Tempora mutantur, nos et mutamur in illis"—"The times are changed and we are changed in them." What therefore we claim for ourselves we should concede to the three great living churches which have presented to us their request for incorporation, that as a united church they may better accomplish the great work for which they exist.

Mr. G. C. WILSON (Wentworth): I did not intend to take part in the debate, but on reflection, having been a member of the Private Bills committee and having given considerable attention to this matter, I feel it incumbent on me to express my views on the bill before the committee. In the first place let me state most emphatically that I have never been opposed to church union; I agree that those who are in favour of union should have the right to join any church to which they might wish to belong. But I also reserve the right to any minority, or any majority for that matter, to remain in the church of their fathers. It has been stated, and it was stated in the committee, that the object of this amendment is to kill the bill. Having voted for the amendment that was submitted by the hon. member for Lunenburg (Mr. Duff) I want to make it clear that it certainly was not my intention in supporting that amendment to destroy the bill, which I think ought to be passed. I believe, however, that technicalities should be brushed aside; and it should be realized, as I believe it is realized, by the people of the Presbyterian church and those of the Methodist church as well, that we have come to a parting of the ways. In my opinion there are two factions in the Presbyterian church that are irreconcilable and you might as well meet the issue now as at any other time. I regret very much that the hon. member (Mr. Lewis) objected to the amendment of the hon. member for Skeena (Mr. Stork). In hurriedly glancing over the amendment since I saw it this morning I believe it is in the right direction; I think it must meet the view of every hon. member who is anxious to see the matter settled rightly and justice done to all parties concerned. Minorities have their right just as majorities have, and I think it is the duty of this parliament to see that those rights are respected and that justice is meted out to every one. The hon. member has said that if a vote were taken 75 per cent of the people, it had been asserted, would vote against the union. Whether that is correct or not I am not in a position to judge.

Mr. LEWIS: I rise to a point of order, Mr. Chairman. I did not say that. I said it was stated by the other side that if another vote were taken 75 per cent of the members would vote against the proposal. I said the matter was problematical at best.

Mr. WILSON: I did not make any statement so far as the hon. member himself was concerned, I was just saying exactly what the hon. member repeated himself, that it was stated that if another vote were taken at least 75 per cent of the membership of the Presbyterian church would vote against church union. Whether that is correct or not, no one can prove, but I do say that there has been a large and growing feeling in the Presbyterian church against church union, and the votes taken during the past year go to prove that the feeling has been growing.

Mr. WOOD: Did the vote at the General Assembly at Owen Sound very recently bear out that idea?

Mr. WILSON: I am glad the hon. member brings up the question of the vote at Owen Sound. Far more importance apparently is attached to that vote by members who do not understand the Presbyterian Church in Canada than it deserves, and they imagine that that vote carries a greater amount of weight than it really does. We maintain that the Presbyterian Assembly at Owen Sound does not represent the Presbyterian church and, furthermore, that the delegates at the assembly did not vote in accordance with the wishes of the congregations which they represented. I wish to take that up a little later, and I will therefore ask the Chairman to call it six o'clock.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. WILSON: I am not in favour of prolonged litigation; the sooner this matter is settled the better for all concerned. If the amendment proposed by the hon. member for Skeena would have had that effect I believe it would have been in the best interests of the church union cause; therefore I regret that I shall not have the privilege, at this time at least, of voting for such a resolution.

The previous speaker (Mr. Lewis) referred to the recent vote at the assembly and suggested that that assembly was representative of the Presbyterian Church in Canada. In other words, he as a minister of the church, would lead us to believe that that assembly did represent the feeling and the views of the Presbyterians of this country. To that statement I take exception. During the last year at least, many people have turned from the views they formerly held; a considerable number of those who had been unionists are now in favour of remaining within the Presbyterian Church in Canada.

As I have said, I regret that so many technicalities have been raised in connection with this discussion. I think the matter should have been settled without ever coming to parliament; the Presbyterians themselves should have settled it before applying to parliament. Of the three bodies, the Presbyterian church, the Methodist church, and the Congregational church, the last two are not so much interested, or are not interested in the same way as the Presbyterian church seems to be; very little opposition to the proposal is offered by them. But it has been stated to me by leading Methodists in my own locality that had they known this movement for church union would bring about a disruption of the Presbyterian church, they would never have voted for it. I think that is the opinion of every sane and thoughtful person in the Dominion of Canada to-day. In my opinion, it is not in the interests of Christianity, it is not in the interests of religion, that the scenes that have been witnessed within the precincts of this House during the last few weeks should have taken place. Personally, I regret the matter was not settled. I still think there is time for reconciliation. I still think that if those leaders, or those so-called and self-appointed leaders, would listen to the views of the people of their churches they would realize that a settlement should be made in the best interests of Christianity.

The last speaker argued that the vote at the General Assembly meant a great deal. I take issue with him. I am not considering the present situation in political terms. I wish to keep the question out of politics, although some members of the cloth are very anxious to bring it into the political arena and have so threatened. In the present instance I do not believe the assembly represents the thought of the people of the Presbyterian church; in other words, it is not a people's movement. I will prove to you by figures that the vote taken there, which was largely one-sided although practically in the same proportion as it has always been, does not represent the church, and I mean by the "church" the adherents and the communicants of the Presbyterian church. Take the assembly of last year and what do we find? We find that Toronto which voted 7,565 for union and 7,829 against was represented at the assembly by a vote of 24 for union and 5 against. The presbytery of Barrie, which voted 2,418 for and 2,252 against was represented by 6 to 4. The presbytery of Guelph, which voted 2,171 for and 2,886 against, was represented at the assembly by 6 votes for and by 1 against. Linsday, where the vote was 1,329 for and 1,192 against, was represented by 4 for and I against. In Peterborough, where the vote was 1,835 for and 1,990 against, the representation was 4 to 4. In the presbytery of Pictou, where the vote for was 1,884 and the vote against 3,364, there was a representation of 11 votes for the union and none against. In St. John, where the vote was 2,066 for and 1,922 against, there

was a representation of 8 votes for and 5 against. These figures go to show that the commissioners to the assembly do not represent the views of the people.

Take the last assembly to which the preceding speaker referred. Although the list is not complete, we find that circumstances such as these took place: For instance, the lists contain the names of 11 ministers whose churches had recently put themselves on record against union and also 17 ministers who voted for union but who represent no congregation at all. Therefore, I do not think it is fair to spread the idea throughout the country that the assembly at Owen Sound represented the views of the people of the churches. Let me take what has happened in the district from which I come; let me refer to the vote taken in the city of Hamilton, and see if the vote there is coming out more strongly for union, whether the people there are to a great extent in favour of union or against it. I will only cite one or two instances. In St. Andrew's church in 1915, there were 279 for and 140 against. In the vote taken this year there were 176 for and 572 against. In St. John's church, in 1915, there were 67 for and 244 against. The vote has now changed to 106 for and 552 against. In Knox church the vote was 78 for and 368 against in 1915. In 1924 the vote stood 54 for and 745 against. In Central church, 1916, the vote was 142 for and 169 against. In 1924, the vote was 125 for and 476 against. In the town of Dundas, from which I come, the vote on the first occasion was in favour of union. On the second occasion the vote was in opposition to union.

When they tell you that this is a fair representation of the voice of the people, let me state that the vote taken nine years ago does not in any way represent Presbyterian sentiment to-day. Why? Because the people who voted then are not there now. I contend that in that congregation half of the members who were there when the vote was taken are not there to-day. Yet it is said we must give up our church in response to the vote that was taken in 1915. I remember when the union representatives were before the committee as witnesses I suggested to one of them: "If it is a fair proposition to abide by the result of a vote taken in 1915, are you willing to accept a vote in the case of the temperance plebiscite or referendum on the lists of that same year?" The reverend gentleman in question at once said, "No." I say myself, it would not be fair. What we want to-day, and I think we will get it, is an expression of the views of the people of the Presbyterian church, or of any other church for that matter, obtained through the medium of an up-to-date list and the vote should be by ballot, and not by having a meeting called at which the vote that particular night will decide the fate of the congregation. In the election of elders in the Presbyterian church in the past, there has never been any suspicion as to what would happen; and I was surprised to hear counsel for the unionists say that a vote by ballot might lead to a scandal. I never heard of any scandal in connection with the election of Presbyterian elders. The ballots are distributed perhaps for two weeks previously, and they are signed ballots. I believe that when a vote is taken all communicants and adherents should be allowed to record their opinion. If there is a sincere desire to ascertain what the opinion of the people of the church, not only in the province of Ontario but throughout Canada, is upon this question, a vote should be taken by ballot and the session of the church should see to it that every person is given a ballot and afforded an opportunity of expressing his views on this most important subject.

What has brought about this serious and regrettable condition of affairs in the Presbyterian church?

Mr. PUTNAM: When the hon. member says there should be a vote by ballot, does he mean ballots should be cast at a meeting called for the purpose of voting, or does he mean that ballots may be marked at home and sent in?

Mr. WILSON: I have such implicit faith in the people that I would distribute the ballot, either by mail, or by the members of the kirk session, deliver it to all the members of the church, and let them return that ballot within one week or two weeks, or whatever time the session fixed. I consider that would bring about a decision in the congregation and give every person the right to vote.

Mr. PUTNAM: Does the hon. gentleman see any reason for that procedure which would not also be a reason for taking a vote in a general election in that same way? And secondly, if there were a general election, and the vote were taken upon the direct question of whether the bill should pass, would the hon. member be content with a vote taken in that way? I give this supposition only by way of illustration and apprehending a barely conceivable possibility.

Mr. WILSON: Certainly not. In the Presbyterian church the vote for elders is by ballot. No exception has been taken to

it in the past, and I do not see how exception can be taken now. I would further agree, that as on the occasion of the last vote, there should be an expression of opinion by the adherents of the Presbyterian church. I believe they should be given the right to vote. In the discussion of this bill we were told by counsel for the union committee that the adherents would not be given the right to vote, although they may be some of the principal subscribers to the funds of the church. Personally I still think that the subscribing adherents should be given the right to vote.

Mr. PUTNAM: Does the hon. member see any reason for that suggestion which would not also be a reason for changing the system of voting in a general election in Canada and allowing the people to vote at home?

Mr. WILSON: Under the present election act we make provision for travellers, sailors and other classes. The idea of the act to-day is to see that every man has the right to express an opinion, and that should be carried out as far as possible in church affairs as well as in state affairs.

Mr. PUTNAM: Is the hon. member going the full length of saying that he would go in for the same reform in election contests?

Mr. WILSON: I do not know whether I am going to be drawn into a controversy with the hon. member, but the first thing I will be asked, I suppose, will be whether I am in favour of open voting. We will be going back to the days of the past.

Mr. PUTNAM: The hon. gentleman will not be asked that question by me.

Mr. WILSON: No, but the hon. gentleman is asking me questions which may lead to some other controversy. I say the vote by ballot should be the vote of the people of the churches and everybody should be given the right to express his view one way or the other. That is the position I take and I am prepared to stand by it.

Mr. MacLAREN: Is it not a fact that in the two previous plebiscites in 1911 and 1915, the method adopted was by signed ballot, extending over a period of ten days or two weeks?

Mr. WILSON: It certainly was. If the basis of union brought about by a vote taken in 1911 and 1915 was satisfactory at that time, I do not know why a vote taken in the same way would not be satisfactory again. I asked the question, what has brought about this unfortunate position in the church? I am speaking now principally as to the Presbyterian church, because I am not as well known in or associated with the other churches, and I would not wish to express an opinion in regard to their organizations. I ask what has brought about this regrettable position in the Presbyterian church? It is largely brought about because the leaders of that church have failed to fulfil the promises they made to the people, and I wish to prove that. I have a great deal of respect for the men who made the statements they did, but I regret that they have not carried out the principles to which they gave expression at that time. Principal Patrick, speaking at the assembly in 1905, said:

> They wanted to carry all the three churches into the union. From first to last the question must be a people's question.

President Falconer in 1906 is reported as follows:

> From the commencement he had put in the forefront that it would be utter madness to go forward to a union that did not carry a whole church with it. It was absurd to think that the assembly could force its will on the people.

The next quotation is from Dr. W. J. Clark in the assembly of 1914, as follows:

> The Reverend Mr. Clark said he thought a second vote of the people ought to be taken. He declared that if it was proved by such a vote that a considerable minority was not in favour of union he would regret the fact, but he would not force the issue. He went on to say, that there was no such thing as attempting to force union on the church.

I have a great deal of respect for the Reverend Dr. Clark, because he happened to be my Sunday school and Bible class teacher. I know that no man stands higher than he does or did in the counsels of the Presbyterian church and I regret to learn that he is not in as good health as he formerly was.

I made the statement that the condition we are in to-day was brought about because some of the so-called and self-appointed leaders of the Presbyterian church had not lived up to the promises they had given to the people. Now what was the vote? The vote was:

	For union	Against union
1911..	113,000	50,733

In 1911 the Presbyterian Assembly and the members of it thought the opposition was too great and they would not proceed with union. They took another vote in 1915, and what was the result? It was as follows:

	For union	Against union
1915..	113,600	73,735

There was an increase of 600 in favour of union, and an increase of 23,000 against it. Now look at the history of the case. In 1911 they said the opposition was too great and they would not proceed. But in 1915, with a vote of 23,000 more against union, they decided to go on with it. Now that is regrettable, and I say that the so-called leaders of the Presbyterian church have largely brought about the condition of affairs that exists to-day.

If this matter is to be settled—and I claim it can be settled—there are one or two ways of doing it. In this so-called union what takes place? The Presbyterian Church in Canada is taken unto the union. The name is not going to be used; but the unionists will not allow those who do not want to go into the organization to call themselves the Presbyterian Church in Canada. I maintain that if they allow those who wish to remain Presbyterians to stand and hold the name, one of the greatest difficulties will be removed. They say "What is in a name"? What is the difference between "in" and "of"? It means practically all the difference in the world. It means that when they take the Presbyterian Church in Canada they take their record, they take their trusts and everything with it, and then they say in their generosity afterwards, "You can call yourselves Presbyterians, but it must be the Presbyterian Church of Canada, because we have absorbed in the United Church of Canada the Presbyterian Church in Canada." What is in a name? There is a great deal in a name, although some people do not think so. Some people that were formerly called Smith, now call themselves Smyths. Some people that were formerly called Gander now call themselves Gandier. The new idea, modern thought, modernism, has brought this about. But some of us are satisfied to remain known by the name that we received and we are proud to try to uphold the honour of that name.

Mr. PUTNAM: Will the hon. gentleman permit what I think is a correction, and I would ask him to take my motives as entirely artless? He stated a moment ago that the United church would prescribe for the dissentients a new name, the Presbyterian Church of Canada. They do not arrogate any such thing to themselves. They give that merely as an example of a name that might be used, very closely allied to the present name. The word "of" is substituted for the word "in." They say: You may use any name in heaven or earth except the name the Presbyterian Church in Canada.

[Mr. Wilson.]

Mr. WILSON: If there is no difference, why do the unionists not allow us to use the name the Presbyterian Church in Canada? If the matter is of minor importance to the unionists, why do they not leave that name to those of us who wish to remain in and to uphold the traditions of the Presbyterian Church in Canada? Why have they adopted the policy of taking the name in and abandoning the child on the door-step?

Mr. PUTNAM: Is that question to me?

Mr. WILSON: I do not know. I am making the statement. If the hon. member wishes to interrupt me again, I am prepared to answer any question provided that I am able to do so.

Mr. CARROLL: What is the present name?

Mr. WILSON: The Presbyterian Church in Canada.

Mr. CARROLL: You want that to remain?

Mr. WILSON: Yes, and I do not think any good reason can be given why, if this new church does not intend to use that name, the name should not rest with those who want to remain in the Presbyterian Church in Canada. The Presbyterian church is not a national church, it is an international church. It has its branches in all parts of the world. It has a proud record, and those of us who have been associated with it for years are satisfied to remain in it. We have no objection to others taking any other name they like; but we think that the doctrines which we have been taught in the church of our fathers should be left to us and to us alone and not given to those who intend to take the name in merely for the purpose of destroying it.

It is stated that this question has been under discussion for about twenty years and also that it is regrettable that a year or two years' delay is proposed in the amendment moved by the hon. member for Lunenburg (Mr. Duff). It is a strange thing that while they have been considering this question for twenty years and we have been told that it is being done in the interest of economy, all through the hearing—and I do not think I missed five minutes of all that hearing—I never once heard any of the witnesses put forward the argument in favour of economy. In fact, they know better. Although they try to tell us that this has been in the air for twenty years; that we have to keep our pledge with the other churches; that this and that should be done, and that it is all in the interest of economy, they know that we have

found the different churches—I do not refer to any one in particular—building a church right under the eaves of another church. There is no question about that. Yet they would lead us to believe that this is all in the interest of economy. I have heard some of the advocates of union, speaking on behalf of this movement, state that they were so much imbued with the idea that the union movement was the correct thing that they were prepared to leave the Presbyterian church if they did not take a stick of property with them. But that situation is entirely changed when you come to the Private Bills committee of this House. As far as I have seen those who want to remain in the Presbyterian church, no one is opposed to a fair division of the property; and if any bill can be introduced into this House or any amendment drafted whereby the minority, or the so-called minority, because I doubt very much if to-day it is a minority, of the Presbyterian church may be allowed to use the name the Presbyterian Church in Canada if the churches are allowed the right to vote themselves into the union, and if provision is made that a commission shall be appointed, not of nine men, because that is simply adding to the expense, but of one, I am satisfied that the Presbyterian Church in Canada will abide by the decision of that commissioner. All that they are anxious for is to retain their name, because they believe in the traditions and the history of their church, and they are proud of the record of the Presbyterian Church in Canada.

One of the most regrettable incidents that I have ever experienced or ever expect again to experience is to hear the so-called leaders of the Presbyterian church do what before the Private Bills committee? Ridicule the doctrines of the Presbyterian church, say that they took the vows with a mental reservation. When that statement was made by one of the leaders of the church, it could not help causing indignation in the breast of everybody that was at that meeting, because if it is modernism, for men who take a vow to uphold the doctrines of the church into which they were ordained, to come before a committee and ridicule and, for other reasons, make light of their vow, then I prefer to stand by the religion that I was taught at my mother's knee rather than to follow the leaders of the Presbyterian church who appeared before the Private Bills committee.

It is said that a minority in the Presbyterian church is opposed to union. We do not agree that such is the case, but for the sake of argument, let us admit that there is a minority. If one of the contracting parties to this union is less in number than the so-called minority and if they are looked after, why should this minority not be looked after? I looked up the records of the Congregational church, and so far as I can obtain them, there are about 32,000 members. Yet their rights are to be protected, and rightly so, in going into this union; but those that form the so-called minority are much greater in numbers, and I do not think any one would gainsay that the Presbyterians in the Dominion of Canada far outnumber those who belong to the Congregational church.

I maintain that the minority has its rights, and you cannot force anyone into a church to which he does not wish to belong. To-day I happen to be a Protestant. Why? It is a question of environment; I am one because my people happened to be Protestants. Similarly, I happen to be a Presbyterian because my people were Presbyterians and largely because I was taught the doctrines of the Presbyterian church. I am not one of those sticklers who believe that it will be a question of the church to which people belonged when it comes to the final summing up; I do not believe that. I certainly do believe however that every person should enjoy civil and religious liberty. I do not deny that right to anyone and I demand the same right for myself; and I defy any church court, any legislature or any parliament or individual to take it from me. It cannot be done. You may pass all the laws you like but you can never take away my liberty of conscience. I owe that to no earthly potentate.

I saw in a newspaper this description of a meeting:

> Inter-party intrigues by crafty strategists; cross-currents of racial origins and creeds; propaganda reduced to its most subtle, insidious and consummate ends; excited, turbulent delegates.

When I read that I thought that possibly it was a descriptive introduction to a report of one of the meetings of the Private Bills committee, but as I read further on I discovered that it was only a description of a Democratic convention in the United States. It is a well known fact that you cannot make two clocks run alike; nor can any state or church compel people of different qualities and different calibre of brain to think alike. It is impossible. I say, therefore, to those who are insistent upon this church union that while they have a perfect right to exercise their own will in

matters that concern themselves, while they have an undoubted right to enter the United church, they have no right to attempt to coerce me or anyone else into joining that church. I cannot see what objection there can be to referring this matter to the courts. We struggled with the bill in the Private Bills committee and heard the viewpoints advanced by the different factions; and having considered the whole subject I have come to the conclusion that the report of the Private Bills committee should be approved by this House and the bill as submitted adopted. I do not believe that any organization should come to the lawmakers and ask them to become lawbreakers. I say that the law of trusts is one of the most sacred laws which this or any other country can possess; I do not think it is right for anyone to come and ask parliament to pass a law to provide that property which John Brown left to the Presbyterian Church in Canada should be handed over to the United Church of Canada. This church union proposal will have far-reaching effects, and it is a matter of regret to me that so many things that should not be done are being done in the name of religion. Those who are anxious to see the movement consummated should abide by the law of trusts in so far as it relates to this matter. Let me read to you the Act of Incorporation of Knox College:

> It shall be lawful for the synod of the Presbyterian Church of Canada, at its next ordinary meeting after the passing of this act, to declare, by a resolution or a by-law to that effect and record in the register of proceedings of the said synod, the theological doctrines and principles which shall be taught in the said college, or what are the books and documents in which the said principles and doctrines are contained; and such declaration so made and recorded shall be irrevocable insofar as the said college shall be concerned, and shall be held at all times thereafter to contain the theological doctrines and principles to be taught in the said college, and for the propagation of which the property now held for the said college, or hereafter acquired for the same, shall be appropriated, and to no other.

"And to no other." Yet we have them coming before parliament and asking us to change the law of trusts—asking the lawmakers to become lawbreakers. Let me refer once again to the regrettable fact of the ridiculing of the doctrines of Presbyterian faith. Does any hon. gentleman think that this will have any good effect in the missionary work of this or any other church? When the missionaries come to knowledge of the fact that men who have taken vows to uphold the doctrines of the Presbyterian church declare that they took those vows with a mental reservation, I am sure the heathen world will be edified to learn

that the so-called leaders of the Presbyterian church have stultified themselves before the Private Bills committee of this House in making a declaration in the hope—of what?—in the hope of getting votes. We have been threatened; unquestionably. Here is the threat, which every one has seen, that members of parliament at the next general election will find this question made an issue.

Mr. PUTNAM: Who made that threat?

Mr. WILSON: Dr. Chown.

Mr. PUTNAM: Will the hon. member read it?

Mr. WILSON: Yes. Referring to the action taken at Toronto he said:

> We appreciate Mr. Nickle's zeal for union, but we cannot forget that fifteen out of seventeen Anglicans were opposed to it, and at present there is a prospect of one of the liveliest religious controversies being thrown into the political arena, and fought to a finish at the next election. The unionists are not seeking this, but if it is forced upon them they will certainly not decline it.

Any leader of a religious denomination is ill advised to make such a threat. Let me tell you what happened forty years ago, when I was a lad, when the chief magistrate in the town tried to prevent the Salvation Army from holding its meetings on the street. One of my forebears took part in that controversy, which was made a political question at the next election. The result was never in doubt; the men who wanted to deny the minority civil and religious liberty were simply cast out; the people would not stand for any such thing. I believe in the rights of minorities and I believe, as we all believe, that under the Union Jack we have every right to enjoy and in fact do enjoy civil and religious liberty. I am proud to live beside friends who do not believe in the same doctrines I hold. I may not believe in theirs, but probably they are more devout than I am, and possibly their views may be right. Only in the final analysis let us all remember that no one has ever come back. You may be right, I may be right, but I certainly will say to the minority or to the individual: You have a perfect right to worship the way you wish, and I for my part will always respect your viewpoint.

Mr. PUTNAM: If I may interject an observation—it is important that Dr. Chown should not be misrepresented. I take it that the true interpretation of the passage which the hon. member read a moment ago is that if somebody else made this an issue in the next

election the unionists would meet the issue; but it is no threat from Dr. Chown that he will precipitate the issue, as my hon. friend inadvertently represented.

Mr. WILSON: I do not wish to inadvertently misrepresent any one. The same threat has been made by others,—it has been made by members of the Presbyterian church.

Mr. PUTNAM: I ask that that passage be read. I submit that it does not bear the construction which my hon. friend places upon it.

Mr. WILSON: An incident took place right in this city after the meeting of the Private Bills committee, when a reverend gentleman made a threat of the same nature. But they are all idle threats. I have more respect for the intelligence of my constituents than to think that any of them would be carried away by a threat that at the next general election church union will be introduced as an issue. This is a question for every one to decide as his conscience dictates. As far as I am personally concerned, I do not care who makes such a threat in my constituency, I am prepared to stand by the rights of the minority, and to give that minority freedom to worship in the way they wish.

Mr. PUTNAM: Will the hon. member retract or again read the statement by Dr. Chown which he interprets as a threat?

Mr. WILSON: I read the statement which is said to have been made by Dr. Chown. I am not putting it up to him or to anybody else.

Mr. BIRD: Was the reference by Dr. Chown to a Dominion election or a provincial election in Ontario?

Mr. WILSON: It would not make a bit of difference what election he was referring to; the issue was certainly to be brought into the political arena.

Mr. BIRD: The statement was not made in reference to the Dominion at all, but to a specific instance in Ontario.

Mr. WILSON: He was making a reference to what took place before the Private Bills committee of the Ontario legislature, but it is the same thing.

Mr. BIRD: He made the threat after the committee had met and decided to amend the bill.

Mr. WILSON: Yes.

Mr. BIRD: In what way was it a threat, then?

Mr. WILSON: Any man who will say that how I voted on church union is going to be an issue in the next general election is making a political threat. What has that got to do with the government of the country or with politics?

Mr. BIRD: The Rev. Dr. Chown is a very responsible person, and I am sure he is not given to making foolish statements. I have read quite frequently the statement attributed to him, and I ask the hon. gentleman to give his opinion as to whether that was not fair comment upon something that had been already decided.

Mr. MACDONALD (Pictou): What did Ralph Connor say?

Mr. WILSON: You have had an opportunity to speak, and you heard this man in committee as I did. My reference was to a statement issued by the Rev. Dr. Chown. He is wrong in his statement of facts, because he refers to Mr. Nickle as an Anglican, although that gentleman as a matter of fact is a Presbyterian; he comes in for blame all the same. I do not care whether Dr. Chown, Ralph Connor or anybody else made this threat—and there are others who made it; it has been made throughout the length and breadth of this country—it will not make a particle of difference to me personally, for I believe in the intelligence of my constituents and that they will judge according to the facts. Therefore I am not afraid of the issue in any case. I believe that conciliation is the proper procedure. I believe, and I said so in the Private Bills committee, that any course that would bring about a settlement of this matter should be adopted, I still believe it is the right course to follow as regards the Presbyterian church. I would say to the members of that church, quoting the words of a text that I once heard preached from Genesis 13, verses 8 and 9:

> And Abram said unto Lot, Let there be no strife, I pray thee, between me and thee, and between my herdmen and thy herdmen; for we be brethren.
>
> Is not the whole land before thee? Separate thyself, I pray thee, from me: If thou wilt take the left hand, then I will go to the right; or if thou depart to the right hand, then I will go to the left.

That is the spirit of conciliation in which this bill should have been framed, and if the bill had been framed in this spirit, with equal rights to all and special privileges to none,

we would not have been in this turmoil today, and we would not have brought disgrace upon Christianity and religion in this country.

Mr. FORKE: My hon. friend will notice that in the passage of scripture he quoted Abram gave the opposition the first and the best choice.

Mr. WILSON: I would remind the leader of the Progressive party that there are two irreconcilable factions in the Presbyterian church, and that the only way out is for those two factions to agree to separate and to say to each other: Let the separation be fair, and let us part as friends. That is the stand I take.

Hon. H. H. STEVENS (Vancouver Centre): Mr. Chairman, I very much regret the circumstances which make it necessary for me to state to the committee the reasons why I propose voting contrary to the report of the Private Bills committee in so far as the clause now under consideration is concerned. As a general rule, 9 p.m. when an important bill such as this is referred to a committee of the House, I am inclined to accept the decision of the committee, especially when, as in this case, the committee has given very intimate and close study to the subject matter of the bill. However, on this occasion I find myself in a position where I cannot agree with the findings of the committee in some respects, indeed I think only in regard to this clause, and it is my intention to make clear the reasons why I shall support the amendment moved by the hon. member for Lisgar (Mr. Brown).

Before doing so I desire to say a word or two in reply to the observations made by my hon. friend from Wentworth (Mr. Wilson). I very deeply appreciate the intensity of feeling and the sincerity of purpose which actuated him to take the stand he does, and to me it is most painful to find myself in any sense in a controversial position with relation to him. But I do not wish to accept his final dictum that we must part company, one going to the right hand and the other to the left. I want to sit beside him here with all the cordiality that has characterized our companionship during the past, and at the same time exercise the privilege of differing with him—and perhaps several others—in respect to this matter.

My hon. friend refers to the desirability of another ballot vote. This I conceive to be within the polity, within the jurdisdiction of the church itself; I do not think it is the function or the right of parliament to interfere with the method of handling the church's own business. I take a very clear stand in that regard: It is the right of any organized religious body to determine within itself just what form of procedure it shall follow with respect to its action in any given matter. So I cannot agree with my hon. friend that this parliament is called upon to decide whether or not another ballot should be taken, nor would I arrogate to myself even the passing of an opinion upon the course pursued by the Presbyterian church in that regard.

Mr. CHAPLIN: Is the hon. gentleman aware that already the Private Bills committee have directed how ballots shall be taken in this same church?

Mr. STEVENS: I assume that that question has reference to something made necessary in order to give effect to the bill itself.

Another question arose in connection with my hon. friend's observations, to which I wish to refer. I earnestly and heartily concur in his desire to preserve inviolate the religious liberty which has characterized the practice of all sections of our Empire for many years. That right of personal religious liberty was bought some centuries ago, and I will step forward with my hon. friend in preserving it.

Now let me turn to the question itself. I have before me the bill as introduced to parliament. The question before us is section 2 of the bill, which is an innovation introduced by the committee having the bill in charge. In amendment to that is the amendment moved by the hon. member for Lisgar (Mr. Brown) which simply states that—

> This act shall come into force on the 10th day of June, 1925, except the provisions required to permit the vote provided for in section 10 being taken, which shall come into force on the 10th day of December, 1924.

Now, Bill No. 47, introduced into this House and given a first reading on April 10, 1924, has a certain preamble which sets forth the principle of the bill. I wish to quote this preamble:

> Whereas The Presbyterian Church in Canada, The Methodist Church and The Congregational Churches of Canada have by their petition represented that, believing the promotion of Christian unity to be in accordance with the Divine Will, they recognize the obligation to seek and promote union with other churches adhering to the same fundamental principles of the Christian faith, and that, having the right to unite with one another without loss of their identity upon terms which they find to be consistent with such principles, they have adopted a basis of union which is set forth in schedule A to this act and have agreed to unite and form one body or denomination of Christians under the name of "The

United Church of Canada;" and have prayed that it may be enacted as hereinafter set forth; And whereas it is expedient to grant the prayer of the said petition: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That was the preamble, and in passing the second reading of the bill parliament placed itself on record as accepting the principle of the bill. Let us examine this matter a little more minutely. Parliament by the second reading has formally adopted the principle that the Presbyterian church, the Methodist church and the Congregational church have the right to unite. That being the case parliament cannot further consider whether that right exists; we have already definitely disposed of that question by the adoption of the principle.

Mr. MacLAREN: Do I understand the hon. gentleman to say that the Private Bills committee could either accept or reject the principle of the bill as stated in the preamble?

Mr. STEVENS: Yes, the Private Bills committee could have rejected the preamble and could have reported to this House that they had done so.

Mr. MacLAREN: Could they have modified it?

Mr. STEVENS: They could. But let me pursue my argument. My point is that we have adopted the principle of this bill.

Mr. ROSS (Kingston): Was it not agreed that the bill should pass its second reading without discussion as to principle?

Mr. STEVENS: I think that was agreed.

Mr. ROSS (Kingston): Then why say that the principle has been accepted?

Mr. STEVENS: I think it was agreed not only by this House but everywhere; not only in parliament, but universally throughout the country it was recognized that this union should be brought about.

Mr. MACDONALD (Pictou): Will my hon. friend permit me—

Mr. STEVENS: I would like to complete my argument on this point.

Mr. MACDONALD (Pictou): I do not wish to interrupt my hon. friend but may I be permitted to ask him whether he is attempting to assert that parliament committed itself to the principle of this bill, when it was distinctly understood by every one in the House that the bill was simply going to committee for consideration without any commitment as to principle?

Mr. STEVENS: I think my hon. friend will recognize in my next point an answer to his question, if I may be permitted to pursue it for a moment. I have stated that the principle of the bill was accepted by the House.

Mr. MacLAREN: I challenge that, Mr. Chairman.

Mr. STEVENS: Perhaps we might admit it for the sake of argument.

Mr. MacLAREN: No, I challenge my hon. friend's statement on that point.

Mr. STEVENS: That is quite all right; my hon. friend has a perfect right to differ. I think, however, that I am arguing from a sound parliamentary basis. My next point is this: This is a private bill. It is not a bill that found its origin within parliament as a public bill, brought here for a public purpose. It is a private bill; it is exactly the same as a bill brought into this House to amalgamate three industrial concerns, three commercial concerns, three insurance companies, three banks, or three railways—any industry that you choose to name. It is a private measure brought here by three recognized bodies. Let us for a moment leave the question of religion and church out of it.

Mr. MacLAREN: Will my hon. friend permit a question there? I will not ask it unless he is quite agreeable.

Mr. STEVENS: Quite all right.

Mr. MacLAREN: Is it not the case in the matter of private bills that the second reading does not involve an acceptance of the preamble?

Mr. STEVENS: I am not a final authority, but subject to correction by those who are better versed in the matter than myself I would say this: Whether it is a private bill or a public bill, the second reading of the bill by the House is an adoption of the principle of the bill.

Some hon. MEMBERS: No.

Mr. STEVENS: I submit that is sound. I should like some much older and more experienced parliamentarian than myself to offer the correction. Let me pursue my point. This is then a private bill brought to this House as it is the right—I want this point to be made perfectly clear—brought to this House as it is the right of any private citizen to bring legislation here. That is, the public have a right to bring to this House their petition, in the form of a bill, and ask that this

petition shall be given consideration and shall be made law by parliament. Now then, what is the duty of parliament in considering the petition? In connection with private bills it is not the duty, it is not the function, of parliament to take that private bill and change it and make out of that whatever it likes. I assert that it is the duty and function of parliament to scrutinize such private bill and to ascertain that there is nothing in it that violates the rights of others not included in the petition. Now, that is the function of parliament. But let me get this point clear in the minds of hon. members: It is not the duty or function of parliament to take a piece of private legislation and change it or mould it to suit itself. It can do it, it has the power, I do not deny that; but I say in dealing with private legislation the function of parliament is to take that private legislation and examine the petition. If the petition is in order, if it is constitutional, if it does not violate the rights of the people or the constitution of the country, then it is the duty of parliament to grant that petition.

This bill comes before us in that form. It comes from three recognized bodies. Let us leave the churches alone for a moment; it comes from three recognized bodies. They present the bill to parliament. It is read a first time, then a second time by common consent, it is true. Then, recognizing that the detailed features of the bill are perhaps controversial it goes to a special committee for consideration, but here is where I challenge the right of the special committee. Not that they are not empowered to scrutinize every word, every line of the bill and see that it is in harmony with public interst and public right, but I do say that I question the right of the committee to so alter the bill as to change the principle and the intention of the measure itself. Now, let me explain what I mean.

Mr. MacLEAN (Prince): Does the hon. member think that the bill of an industrial concern coming to parliament and being referred to the Private Bills committee in the form that this bill was, and in the face of so much opposition, would be considered for one moment by the Private Bills committee?

Mr. STEVENS: Undoubtedly it would. In my brief experience of some fourteen years in this House I can recall many bills which, while perhaps not arousing the general interest that this bill has, did evoke the most intense opposition and controversy. Other members who have sat here for many years will particularly recall many instances in the years gone by where bills have been fought most bitterly and over long periods of time. Let me say to the hon. member who asked the question that I am not for one moment disputing the right of anyone to attack or resist the passing of legislation in this House private or public.

Now, let us come to the amendment. I have cited these three bodies, now I must name them—the Presbyterian church, the Methodist church and the Congregational church, long recognized as three great religious bodies; not religious bodies only, but groups of citizens banded together for religious purposes and also possessed of large property rights and interests in the country. Because of this it was necessary that they should come to parliament in order to secure this legislation. What for? In order that this united body might be put in a position—shall I say socially as related to the rest of the people?—where it can function as a body, not only as a church but function as a body—receive moneys, spend moneys, hold property, dispose of property, carry on social welfare work, carry on missionary institutions, and all these various appendages of a religious organization. So they come to parliament and ask parliament, a well recognized necessity—to clothe them with certain powers and with certain rights. Now, then, the amendment injected into this bill in the committee to my mind attacks the very principle of the bill.

Mr. MACDONALD (Pictou): Is my hon. friend aware—seeing that he is endeavouring to draw an argument from the proposition that this bill is just the same as if we were dealing with three companies who desired to come together—that under the laws of the Joint Stock Companies Acts before any such combination as asked here can be brought into effect in regard to these incorporated companies there must be a vote of two-thirds of the shareholders?

Mr. STEVENS: Not necessarily.

Mr. MACDONALD (Pictou): Absolutely, that is the law.

Mr. STEVENS: My hon. friend will pardon me for a moment—I do not want to be too dogmatic, although he appears to be pretty dogmatic himself—not necessarily. We will assume there are three railway companies. I recall instances—I cannot recall the names and the dates, but I do recall the instances—where the Railway committee, not necessarily, have in their private acts so clothed these companies with powers to transact their business and conduct their affairs in a certain way. Now, I deal with my hon. friend's in-

terruption in this manner. My contention is that we have no business to go back into the polity or the rights and the procedures of any of these churches. All we have to ask is: Have these organizations come before parliament clothed with proper authority within their own constitutions? Have I made myself clear? I happen to be more familiar with the Methodist church than with the Presbyterian. I am not going to argue anything about the internal polity of any of them but I say that the Methodist church come before parliament and say "We have done thus and so. Our constitution, our church laws, demand that we should pass certain resolutions and that we should go through certain procedure." All that parliament is called upon to do is to say to them "Have you gone through that procedure"? They say "Yes, here is the procedure." The Congregational church says the same and the Presbyterian church. Now, what I contend is this—

An hon. MEMBER: That is disputed.

Mr. STEVENS: If the hon. member will let me complete my argument. I claim it is not my business as a member of this House to go into the question whether the Methodist church in its method was wise or unwise. That is not my business. All I have to do is to see whether or not these applicants come before parliament in the proper manner. I contend that so far as I am able to judge they have done so in this case. I do regret, just as profoundly as my hon. friends who take a different view, the schism that has grown and developed in the Presbyterian church over this question. Furthermore I have the profoundest sympathy with any minorities whether Presbyterian, Methodist or Congregational. I say further—coming back to the interruption of the Minister of National Defence—whether it is a church or a private company, if it can be shown that there are certain minority rights that appear not to be safeguarded then it is the duty of parliament to safeguard those rights.

Mr. MACDONALD (Pictou): Hear, hear.

Mr. STEVENS: Undoubtedly it is the duty of parliament to safeguard those rights.

Mr. MacLAREN: While the hon. gentleman is on that point I will ask a question. Is he aware that the authority of the General Assembly to proceed to union was disputed strongly before the select committee, that there were many representations made before the Private Bills committee to the effect that the General Assembly had not this power or authority?

Mr. STEVENS: I am quite aware that there was undoubtedly criticism of the method and so forth within the Presbyterian church, but I cannot say that evidence has been brought forward to show that the Presbyterian church acted contrary to its own constitution.

Mr. MacLAREN: Was the hon. gentleman present during the taking of the evidence?

Mr. STEVENS: Only at times. I heard a very brillant and able address by Mr. Lafleur of Montreal, who, I thought, with his usual brilliancy, presented a case that was certainly very, very fine and sound; but I did note in that very excellent address, which I think everybody admired, that Mr. Lafleur made the declaration that it was unquestionably and undoubtedly the right of the Presbyterian church to change its doctrine, and he went so far as to say, when asked the question, that it was their right to change the doctrine to the extent that it might harmonize with or adopt the doctrine set forth in the basis of union. I am quite certain of that.

Mr. MacLAREN: Is the hon. gentleman quoting from the evidence?

Mr. STEVENS: From my own memory of it.

Mr. MacLAREN: I think the hon. gentleman's memory is very defective.

Mr. STEVENS: I am quite clear on the matter, because I followed Mr. Lafleur's address with intense interest. However, I only interjected that remark. I do not think it is essential at all, but I still claim it is not the duty of parliament to inquire into it. I merely interjected that statement in response to an interruption a moment ago. I want to point out to the committee that we have adopted, and I still insist that we have adopted, the preamble of the bill. We sent it to a committee. What was the preamble? That these three bodies claimed the right to unite. We accepted the position. We said, "Very good, we adopt your bill, and send it, so far as the details of the measure are concerned, to the Private Bills committee to work out". I find that that committee inserted a clause to this effect:

> This act shall not come into force until the first day of July, 1926, and not then unless the courts shall have finally decided the action now pending in the Supreme Court of Ontario that the General Assembly of the Presbyterian Church in Canada had the power under its constitution and rules to agree to a union of the Presbyterian Church in Canada with the Methodist church, and Congregational church upon the basis of union, including the appendix on law as set out in schedule A of this act.

I quite appreciate that there are those who will differ with me, but I want to put my position clearly that we are not called upon to determine whether the Presbyterian church as a church had this right or that right within itself; but the question of its polity, or the question of its procedure, is something which it must determine itself; and furthermore the applicants for this measure representing the Presbyterian church undoubtedly show that they did follow the constitutional procedure of the Presbyterian church. That is my contention. Therefore I contend that this committee had no right to insert in the bill a clause that virtually declares that only two of the churches are right, and that the whole bill must be suspended until certain things are determined in the courts. My answer to that is that the right of appeal to the courts exists without any doubt, just the same whether this clause passes or not. They have the right of appeal just the same whether this clause is inserted in the bill or not, and no such right is being taken away from them.

I would like to say a few words about another feature of the bill. When this measure was introduced one of the things that appealed to me very strongly was the contention made by those opposed to the bill that the bill as it was introduced brought in the Presbyterian church—becoming specific for the moment—and gave a right to a minority to vote itself out. This minority claimed that this was an unfair advantage to take of them. In other words, they claimed that we were legislating to put them into the new United church, and that they were called upon to vote themselves out, and they contended—and to my mind contended properly—that they ought to have the opportunity of voting on the question as to whether they should come in or not. When that point was conceded it removed from my mind perhaps the most important obstacle that I saw to the passing of this act. When that was granted and first incorporated in the bill, the principle was reversed, and it was provided that before the Presbyterian church was incorporated in the United Church of Canada, they must do so by a vote, of their own volition, bringing them into that body. That, Mr. Chairman, seems to me to meet the more serious opposition that was presented to this House.

Mr. CHAPLIN: The way the evidence was taken does not appear to my hon. friend as being unfair?

Mr. STEVENS: I think not, no. I think the manner in which the evidence was taken is fair, indeed I would go to the extent of saying that it is not only fair but generous. I want to make clear to my hon. friend that this is not a light matter to my mind. It has been a very serious matter and I might say a painful matter to witness the dispute that is going on. I am simply trying to make my own position clear.

The suggestion is made that the passage of the bill will result in schism and division. Unfortunately I am afraid it is necessary to agree with that suggestion, and I regret to say that it is so. On the other hand, I want parliament to understand that that is not a fair appeal to parliament. It is not necessarily a ground upon which parliament should reject a bill. If that is to be presented as an argument for the rejection of the bill, then I am justified in presenting the argument that the rejection of the bill will undoubtedly work far greater hardship, and induce greater schisms than the passing of the bill. I do not admit that either one is a sound argument for or against the bill. We must not blind our eyes or be diverted from the path of duty which I think parliament should pursue by an argument of this kind.

An amendment was suggested a moment ago which virtually means this: The Methodist and Congregational churches to be joined, but that reference of the Presbyterian church and its dispute be made to the courts for further consideration. I appeal to the committee, let us give consideration to this matter. I think too little emphasis has been laid upon the fact that the Methodist church and the Congregational church have hitherto, throughout this whole matter presented themselves consistently and steadily in favour of this bill. They are applicants for this bill just as much as the Presbyterian church, and it would not be treating them with fairness to reserve one section, a very important section, for further consideration, and to say to the other two: You go ahead and join. I want parliament to remember that the basis of the whole matter is the union of these three bodies.

Mr. HOEY: Will the hon. member say that the Methodist and Congregational churches have the legal right to unite, seeing that the vote was taken on the union of the whole three? I do not think they have.

Mr. STEVENS: I would not like to express an opinion offhand on that; but as my hon. friend raises the question, it is one that might very well engage the attention of parliament. It would appear to me, at least offhand, that this suggested amendment must inevitably result in the withdrawal of the bill from parliament. I cannot see how the promoters of the

bill, having in mind and working for years for the consummation of an ideal, that ideal being the union of these three bodies, could possibly carry on with, perhaps, one-half of it held in abeyance indefinitely by an action of this parliament.

My hon. friend (Mr. Wilson) a moment ago said that no evidence had been brought forward regarding the question of economy. I cannot speak so thoroughly for eastern Canada, but for thirty-one years, I have been passing through this Dominion from the East to the West very frequently. I know conditions in the three prairie provinces and in British Columbia, I think, fairly well, and I know that there are literally hundreds, and I believe I can say thousands of places where this union is and has been functioning. Why has it been functioning? Because the recognized authorities, within their own right, and constitutionally within their own right, declared that they were going on to the consummation of union; that they were going on to bring this union about, and these bodies found it necessary, for the sake of economy if you like, for the sake not only of economy, but of a better spirit in those isolated communities, to go ahead and unite. Throughout the whole of the West, in British Columbia and the three prairie provinces, you can find hundreds and thousands of places where the one pivotal point for religion and morality is to be found in a union church functioning under the basis of union, functioning by mutual agreement and arrangement between these three great bodies. This is what I want to impress once again on the committee. Is parliament, because of an internal dispute regarding, not the correctness, but the wisdom of a certain course of action on the part of one of the bodies, determined within their own rights, to reject this bill? That is the question which this committee must decide. I cannot bring myself to that viewpoint at all, and therefore I shall support the amendment and vote against section 2 of the bill as it is reported by the committee.

Mr. CHAPLIN: Has the arrangement that the hon. member spoke of in regard to the churches working in harmony been due to this union movement, or was it in operation for years before, by mutual agreement?

Mr. STEVENS: I think I can claim the right to answer that with a fair degree of definiteness, if my hon. friend will permit me to take a moment or two to do so. Any one acquainted with conditions, not only in the West, but in any new section of this country, northern Quebec or northern Ontario, but particularly in the West, knows that conditions themselves forced the churches to the consideration of this problem many years ago. It was the impetus of conditions, the impetus of the needs of the people from a monetary standpoint, from a standpoint of Christian unity, that made the parent bodies, the head offices at Toronto, recognize the need of getting together, and it was impelled by that that the officials, the leaders of the church, who from time to time, were brought together in connection with conferences, assemblies and congresses in various parts of the country, came to the conclusion that the only solution was an organic union of the whole of the three bodies. That is my answer to my hon. friend's question.

Mr. CHAPLIN: That is not an answer.

Mr. ROSS (Kingston): Was that same union arrangement not in existence in Ontario and in the eastern provinces long before the question was broached?

Mr. STEVENS: I cannot speak of Ontario. I can speak only of my personal experience. For the last twenty years, to my own knowledge, this has been a live issue in the West.

Mr. FRANK S. CAHILL (Pontiac): As a member of this House who has no special interest in the bill other than to do what seems to be the right thing by all parties concerned, I cannot support the amendment of the hon. member for Lisgar (Mr. Brown). The hon. member, in proposing his amendment, suggested that there were only two points that should be considered. The one was whether the contracting parties had the right to enter the union, and the other was whether the minority in each of the congregations was being protected. From my point of view there is only one question to be considered, namely, whether the three parties had the right to contract the union, and whether the organization of the Presbyterian church as constituted had the right to agree to the amalgamation. I cannot surely be accused of voting against my hon. friend's amendment and wanting to support or promote the Westminster Confession of Faith. I cannot be accused of supporting those who are opposed to union on the ground that I may lose votes in my constituency. But I do not feel that it has been proven, either in the committee or in the House that the elders of the Presbyterian church had the right to consummate the amalgamation. No hon. member here has presented anything to show that the Presbyterian elders or the assembly had the right to consummate the amalgamation of these churches. That seems to me to be the only question to decide in the mind of a

member who is not directly interested in the subject outside of his obligation as a member of parliament. The hon. member for Vancouver Centre (Mr. Stevens) contends that the assembly had the right; members of the Presbyterian persuasion contend that the assembly had not the right, and I would rather take the opinion in this case of members of the Presbyterian church than that of a member of one of the other contracting churches.

Mr. LEWIS: Will he not take then the opinion of members of the Presbyterian church at the last assembly, if that is what he is after? They have claimed for the last four years by an overwhelming majority for the last four years that they have that right.

Mr. CAHILL: My difficulty is exactly that. Had the Presbyterian Assembly the right to consummate the amalgamation? Can my hon. friend say yes?

Mr. LEWIS: Most decidedly.

Mr. BROWN: Does the hon. member consider that the Presbyterian church has any right at all or any other way of expressing itself? Perhaps he might indicate some other way by which the Presbyterian church could express itself, than through its courts.

Mr. MACDONALD (Pictou): With the permission of my hon. friend I wish to say on that point in order to relieve any doubt: As regards my own constituents, a majority of the Presbyterians are opposed to the union of the three churches and three-fourths of the representatives who went to the assembly voted in favour of union. That did not represent the people.

Mr. CAHILL: The hon. member for Wentworth (Mr. Wilson) made the statement, as I understood it, that the assembly had not the right to consummate this amalgamation.

Mr. WILSON: That is what we claim and that is what we want to have settled by the courts.

Mr. CAHILL: The contention was made in the committee and it has been made in this House that it is well nigh impossible for any hon. member to come to a decision in this matter in view of the fact that members of parliament themselves hold contradictory views in regard to the powers of the General Assembly; some say that the assembly has the right to consummate the amalgamation while others are of the opposite opinion. Am I qualified then to sit as a judge in this matter? I am not, and what is more I contend that very few members are able to arrive at a really satisfactory conclusion. After all this is not a national question; it cannot be so considered by any stretch of the imagination. The next question is, so far as I am concerned, what will be the attitude of my constituents? No matter how interested a member of parliament may be in any question, when that question is not of a purely national character and one in regard to which he is in honour bound to take a national point of view, he is most apt to take the point of view of his constituency. I do not say that hon. members will necessarily do that, nor that the vote will be taken on that basis. So far as my constituency is concerned I do not think that it will make any material difference, and I do not say this because there are not a number of very estimable people in my constituency who belong to all of the churches concerned. I do not feel however that I am competent to sit as a judge in this matter and to determine whether or not the General Assembly of the Presbyterian church has the right to consummate this amalgamation. The bill as reported from the committee provides for judges in properly constituted courts to determine the question, and I should much prefer to take the judgment of those courts than that of members of parliament, especially members whose knowledge of the subject, like my own, makes it impossible for them to come to a sound decision. I therefore propose to vote against the amendment of the hon. member for Lisgar (Mr. Brown).

Mr. ROBERT FORKE (Brandon): Had my name not been attached to the bill I would not venture now to offer any remarks on this subject. It has been so well and ably debated by hon. members both in the committee and in the House that I do not think I could add anything that would be of any great service in helping hon. members to come to a proper conclusion in the matter. Before I go any further I want to pay a tribute to hon. gentlemen on the character of the debate which we have had in the House on this measure, and I also desire to acknowledge the great respect I have for the sincerity of those who are opposed to the union. When I consider the zeal and the earnestness with which my hon. friend (Mr. MacLaren) advocates the retention of his church I can assure him he has my sympathy and my respect; I do not know whether he wants my sympathy but at all events he has my respect.

Mr. MacLAREN: I should like to have your co-operation.

Mr. FORKE: During the past few weeks, ever since this matter has come before parliament, most hon. gentlemen have been in receipt of numerous letters both for and against the bill. As my name has been coupled with the bill I think possibly I have received as large a number of letters as any other hon. member in the House. All through these letters from those who are opposed to the bill, and more especially I think from the women, there has run the one refrain—why cannot we leave things as they are, seeing that we are doing all right under present conditions? That seems all right, but it is impossible to go back; you cannot turn the wheels of progress backward and begin things anew. This might have been possible twenty years ago, but it is not possible to-day. I agree with my hon. friend (Mr. Wilson) that there is a division in the Presbyterian church at the present time, and we have tried to settle the matter in the best way possible. I only hope that when the present situation has passed and when we have reached a decision there will be no hard feelings and that we shall each settle down to the work which is best calculated to advance the coming of the kingdom. But, let me emphasize, things cannot be left to drift; we have settled this question up to a certain point, and we must have it disposed of according to the dictates of justice.

In listening to the remarks of my hon. friend opposite (Mr. Cahill), I was struck with the difficulty which they must experience who are outside the bounds of these three churches in trying to understand the position in which the parties concerned find themselves to-day. Those who are familiar with the Presbyterian church and its doctrines and who have examined into the rights and wrongs of the case will no doubt conclude at least that the matter has gone through the different courts of the church in a regular manner. My hon. friend (Mr. Lewis) speaking this afternoon made a good argument to show why this decision had been reached by the Presbyterian General Assembly in a regular, constitutional way by the pursuit of Presbyterian procedure all through the various stages of the discussion until the question came to the supreme court of that church and was finally decided in favour of union. And this decision was arrived at after years of consideration. Sometimes those who are opposed to union talk about taking a plebiscite. Well, one of the things that has surprised me during the debate—and I want to speak with all due caution and without hurting the feelings of any one—one of the things, I say, which has surprised me has been the fact that those who are opposing the union, the ultra Presbyterians as we may call them, are the very Presbyterians who are finding fault with the courts of their own church and the decision that has been arrived at. It seems strange to me that those Presbyterians who are willing to enter into a union with the other churches admit the constitutionality of their course while those who desire to retain the church as it is question the right of those courts to legislate in the interests of the Presbyterian body. A good many statements have been made regarding the delegates who attended the General Assembly, and any one who has followed the argument advanced by the hon. member for Swift Current this afternoon will be convinced I am sure that the personnel of that assembly had been changed year by year and that it was not the same people who were voting. Another point that has been emphasized is that the same members went back year after year. But, Mr. Chairman, what fact strikes us most in human history? Is it not the fact that the older people grow the more conservative they become and the more opposed they are to change in any direction? Are not the older people more opposed to change than the younger folk? Naturally one would have supposed that if the same people were going back year after year the older people in the Presbyterian church, the conservative element, would be most opposed to making the change.

I want to say just a word touching my experience in my early years. An hon. member, I think my hon. friend from Lunenburg (Mr. Duff), told us that he ate porridge in his youth and learned the Shorter Catechism. I can shake hands with the hon. member so far as that goes; I got the same sort of training, having been brought up in all the tenets and the doctrines of the church. My father was an elder of the church for over forty years, and there is not an hon. gentleman in this committee to whom the traditions and all the past history of the Presbyterian church are more dear than they are to myself. I can think of a little church at the foot of the Lammermoor hills in Scotland, the Free Church of Scotland, over the door of which there was an inscription telling that in the years gone by the minister had gone out from his church to gather with his congregation in the open air because they wanted to worship God as they saw fit.

These are some of the traditions of the Presbyterian church of which we are all proud. However, listening to the speech of the hon.

member for Vancouver Centre (Mr. Stevens), I could not but be impressed by some of the remarks with relation to our experiences on the prairies. I admit, Mr. Chairman, that when I allowed my name to go on this bill as its sponsor I did not anticipate the strong opposition that it was going to meet with in this parliament. My experience had been that of the West, where I now realize that the sentiment for union is very much stronger perhaps than in other parts of the Dominion. But what happened in the little village of Pipestone where my home is may be interesting to hon. members. There we had a Methodist and a Presbyterian church, and during the war years the women met together to do war work, as all the women of Canada were then doing, working together patriotically for their country. From them came the first talk of union. They said: If we can work together for patriotic purposes, why cannot we unite on the great and wider field of religious tolerance and religious help. As a result a union of the two churches was brought about there.

We have denied the right, and I think every church has denied the right of the civil authority to interfere in any way with church polity or doctrine. I agree with the hon. member for Vancouver Centre that that is not a subject for this parliament to take into consideration, that the three churches came as three bodies seeking merely for power to carry on their business as a single corporation. Now to refer this matter to the courts will lead to religious chaos and political confusion. All over the country to-day we have hundreds of churches where Presbyterians have been worshipping with Methodists, and Methodists with Presbyterians, looking forward to the time when this union would be accomplished and so bring about that greater union to which they all earnestly look forward.

Mr. DUFF: My hon. friend said a few minutes ago that there would be political confusion. How does he make that out?

Mr. FORKE: I think if this matter was once settled all our political difficulties and religious confusion would disappear.

Mr. DUFF: I can understand religious confusion, but where would political confusion come in? How is this a matter that can be dragged into politics?

Mr. FORKE: If the hon. member does not want to drag it into politics, I am sure I do not.

[Mr. Forke.]

Mr. DUFF: You just mentioned it, you spoke of political confusion.

Mr. FORKE: That probably was not an apt term. I hope the matter will not enter into politics, and I believe it will not. I realize that those who took part in the Private Bills committee and heard all the arguments both for and against are in a much better position to discuss this bill than those of us who are only taking it up now on the floor of the House, but I want to refer to two or three points. A good deal has been said about the traditions of the church and how dear they are to us. There are some grand things in human history; no great man belongs to any particular country; no great and noble traditions can be claimed by any individual, corporation, church or country: "We are the heirs of all the ages." If the Presbyterian church were to pass out of existence to-morrow, its traditions which we admire so much would still be the heritage of those who follow us. We have a Presbyterian hymn book, and naturally we think it is the best. But look over its pages, and you will find that its most beautiful hymns were written by members of all churches—one by a Roman Catholic, another by a Unitarian, and so on. We sing the hymns of Methodists and of Lutherans, and they express our feelings in the very best way possible. We talk about our doctrines and our beliefs and what we are ready to sacrifice for them, but, Mr. Chairman, the great and broad principles of religion are pretty much the same. To do justice, to love mercy, and to walk humbly with your Maker: That is the basis of any religion.

Mr. PUTNAM: Am I to understand that the hon. gentleman who is sponsor for this bill has no doubt in his mind that the General Assembly had power to seek this union?

Mr. FORKE: I have no doubt in the least, and I think I know something about the government of the Presbyterian church. The Blue Book of the Presbyterian church has been in my father's house ever since I remember the world. I think I know something about the government of the Presbyterian church, and I believe confidently that the General Assembly had full power to consummate this union.

Mr. PUTNAM: But suppose the hon. gentleman had a doubt, and believed that the suggested legislation would supply the "missing link", would he then want the bill passed? Because that is my attitude at present.

Mr. FORKE: If there was any doubt, of course it would have to be settled. I have no doubt as to the power of the General Assembly of the Presbyterian church to bring about this union. But I am perfectly convinced that to get this matter settled in the courts is not quite so simple as some people think. There is no question that the taking of this matter into the courts would lead to endless confusion and waste of time. If you read the bill carefully you will find that by certain manipulation court proceedings could be prolonged for years. But while the decision of the courts is pending what is going to happen to those union churches that are now functioning by hundreds and by thousands all over the prairies? Settlements by resort to the courts seems all right in theory, but in practice I claim it would be a failure.

I hope there is no bitterness in this controversy. I thoroughly respect those who are opposed to the union. I believe all are sincere and all are working for what they believe to be best for our common country. But I would remind those who are

10 p.m. opposed to the union that the history of Scotland has been a history of fighting for lost causes. It fought against political union with England years ago, and it lost, but that apparent defeat turned out to be a great victory. I have no hesitation in saying, Mr. Chairman, that even if those who are opposed to church union lose their cause, I believe that in the years to come they will realize that through defeat they won a great victory, in that eventually there will be one united protestant church in Canada.

Mr. DUFF: The hon. gentleman stated that the history of Scotland is the history of fighting for lost causes. Is it not true that Scotland is still Scotland, and perhaps one of the greatest countries of the world?

Mr. FORKE: It is Scotland still, but it is part of Great Britain. You will notice that the three churches will retain their identity in this union and that the Presbyterian church will still be the Presbyterian church inside the United Church of Canada, just as Scotland is still part of Great Britain. So I think my hon. friend's analogy breaks down.

Mr. DUFF: But is Scotland known as Great Britain?

Mr. CALDWELL: It is part of the British Empire, but still Scotland.

Mr. DUFF: Absolutely; and the Presbyterian church would be part of the protestant church but still the Presbyterian church.

Mr. FORKE: Mr. Chairman, I have tried to express why I believe in the union of the three churches into one united Protestant church in Canada. I am aware that it has been better argued from both sides than I could argue it. However, as a closing thought I want to say that I do believe good will come from this controversy. Some people have thought that there would be a schism among these great religious bodies of our country and that each one was going to suffer. I do not believe that is the case. I think the future will bring forth a renewed interest in religious life and that, union or no union, no harm will result from the steps that have been taken.

Mr. WILLIS KEITH BALDWIN (Stanstead): As I have listened to the discussion of this church union bill in the Private Bills committee and in this committee, I have thought that we should feel ourselves on consecrated ground. Indeed, the present circumstances are analogous, in a sense, to those surrounding the crucifixion of our Lord. His mental anguish in the Garden of Gethsemane was as great as His physical suffering when nailed upon the cross and when the spear entered His side. I believe the mental anguish of some hon. members has been great in listening to the discussion of this subject. We cannot forget the tens of thousands of people throughout Canada who have been hoping, waiting, and praying, for the uniting of these churches; that is something that we cannot treat lightly. I have been a church unionist for a long time. I was a church unionist long before the organic union of these three churches was discussed. The greatest sermon I ever heard on church union was in the city of Winnipeg nearly thirty years ago. It was the time of the great Silcox when you could not get into the Congregational church, when you could not get into the Methodist church, unless you got there long before the service started. I was invited to go to the Anglican cathedral. It was filled to overflowing, and had I not gone with friends I could not have entered. A young man stepped on to the platform dressed in tweed, who I believe is now Dr. Symonds, while the dignitaries round about wore their robes and surplices. Such a sermon for church unity I never heard. Through the mist of tears in my own eyes I could see the wet eyes of others, those who believed

in comradeship and fellowship, who believed there was one Saviour and one Heaven, if we could ever be so unspeakably happy as to get there.

We are laying the foundations of one of the greatest countries on earth, that is Canada, and this church union movement is something that will promote the unity of our people. More than two millions of people are awaiting the consummation of this proposal. Let me paint a picture from the country to the south of us and see if we are not on the eve of one of the greatest advance movements in the history of the world. In New England there are many places with six churches and four hundred people. There are places in Pennsylvania with sixteen churches and less than a thousand people. There are places in Colorado, Idaho and Montana, where hundreds of people are asking for religious services that cannot have them. They are amalgamating in New England by calling themselves Community churches.

I heard a man say that there could be no United church in this country, that it could not be worked out. Now, I am not here to-night for controversy; I have no desire to be harsh with those who differ from me. But I want to tell that man that in a certain place in California there was built within two years a large Congregational church, because some wealthy people settled there, a Methodist church and an Anglican church. Subsequently they closed the Methodist and the Anglican churches, and joined up. That is only one instance among thousands in that great country to the south. They have in Alaska twenty-six missionaries of different denominations ministering to 50,000 natives. There is tremendous overlapping, tremendous waste, and the result is that the young men of our country will not take up the greatest work in the world, that of the glorifying of God. If this House was filled with ministers of the Gospel to-night and I asked them what they were created for, they could not give a better answer than that we were created to glorify God.

Some one has said that there would be no economic advantage in the unity of the churches. But think what a blessing it would be to have these churches united all over the country, with one head and one management. People have thought that the Christians of the world could have saved the Great War with its loss of nine million people on the battlefield and with its thousands of people broken hearted. Let me point out that the United States are seeking to disarm their churches so that they will not be proselytizing and working one to snatch from the other. They believe in the disarming of the churches, just as there is a growing belief in the disarming of nations in the interests of peace.

Now, some things have been said here that would make a person's blood run cold. If an hon member spoke with any spiritual ardour it was said that he hurt the cause. We know that we are in a materialistic age, and we should take heed lest we forget. Let us remember the fall of the Roman Empire, of Tyre and Carthage, and Babylon, and the dark ages which followed. Some hon. gentlemen smile, but if we cannot talk to-night as we feel, then the whole thing is a farce, and our having the Speaker at the opening of the day's sitting supplicate the Throne of Grace to guide us in our daily deliberations is also a farce. It seems to me terrible if the churches cannot unite, because I believe that when these people can unite it is an evidence that all who believe in the Lord Jesus Christ can unite.

A matter such as this should be discussed in a conciliatory spirit. I have heard six different members who had been anti-unionists declare that they now believe in the union of these churches. God help the churches unless there is a real spirit of unity abroad. I cannot see how you can have real unity if you argue against it. There is an amendment now before us to subordinate this parliament, the highest tribunal in the realm, to the Supreme Court of Ontario. So long as I occupy a seat in this House I shall never agree to a court of law overriding this legislative body. Notice has also been given of another amendment proposing to turn the question over to the Supreme Court of Canada for decision. I cannot see the wisdom of any such proposal as that. This movement is only the beginning of a united church in Canada. It is an exemplification of the spirit that is abroad throughout the world to-day. I ask hon. members to take notice and mark how this movement will grow. The spirit of Christ will eventually predominate in the hearts of men to the same extent as the waters stretch from continent to continent. May we all live to see the day when not only churches but nations will be united, when there shall be an international disarmament, in the real sense of the word and when race hatred and national hatred shall have passed away forever.

Mr. J. D. CHAPLIN (Lincoln): I did not intend to take part in this debate but the rather unique position assumed by the

hon. member for Vancouver Centre (Mr. Stevens) has brought me to my feet. He has told us that if the House passes the second reading of a bill it immediately adopts the principle of the measure. Let me read what Bourinot has to say on that point:

> The second reading corresponds with the same stage in other bills, and in agreeing to it, the House affirms the general principle or expediency of the measure. There is, however, a distinction between the second reading of a public, and of a private bill, which should not be overlooked. A public bill being founded on reasons of state policy, the House, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the House, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee.

In respect to this particular bill the hon. member did not seem to be familiar either with what transpired in this House or in the committee. When the measure was introduced the hon. member for Brandon (Mr. Forke) spoke as follows:

> Mr. Speaker, the hon. member agreed with me that there would be no discussion at this stage of the bill, on condition that I did not speak. The hon. member came across here and agreed with me that there would be no discussion on the second reading.

After some passages between the hon. member for Brandon and the hon. member for Lunenburg (Mr. Duff) the hon. member for St. John and Albert (Mr. MacLaren) spoke as follows:

> There is a great deal to be said on this bill, but I consider it more suitable to have the discussion at a later stage, and this is the reason I do not propose to discuss it just now, because as this is a private bill the second reading does not concede the principle of the bill.
>
> One point I wish to mention is this: I do not think that there is objection to the incorporation of the United church, provided that the church is for those who wish to go into it, and provided further that those who do not so desire may remain in their mother churches.

In the face of this the hon. member for Vancouver Centre tells us that when the bill has passed its second reading we have adopted the principle of the measure and therefore, forsooth, cannot change it; we cannot change the preamble or the principle of the bill. Well, any change that has been made in the bill does not change the principle; it is practically only postponing the coming into effect of the measure until the courts have decided the legal questions involved. And yet my hon. friend comes in hurriedly from participation in a political contest in the West, immediately gets busy upon the bill, and proceeds to enlighten us as to what has been going on in the committee and in the House for many days. Of course, he is not troubled with temerity on the subject of the church union bill. The hon. gentleman also made some remarks as to what happened in the Private Bills committee. I am rather surprised at what he said because I have been at the committee when bills of a commercial character were considered and were so cut up that when they emerged they did not in the slightest degree resemble their original character. Yet the hon. member says we cannot change the provisions of this particular bill; we cannot, as another hon. member suggests, lay our unholy hands upon it. Let me tell my hon. friend that while he has been absent from the House this matter has been discussed and we have absorbed some information in regard to it. Of course it may be that while he was away in the West, he, himself, obtained some information that he did not tell us about.

I have heard the remark made by hon. gentlemen around this House two or three times that the church majority should rule; they have argued that right from the beginning. Yet after this bill came to the House from the Private Bills committee it would seem they would not want a majority at all. I even doubt whether they want the wishes of a majority of hon. members here to prevail. The effort is being made here to upset something that the Private Bills committee have recommended after weeks and weeks of consideration.

There is only one more thing I wanted to draw attention to and that was in respect to the inquiry of the hon. member for Pontiac (Mr. Cahill). I want to read a sentence from an argument that was used, because it is put in language much better than I could employ. I read first from the bill the following:

> That the union has been formed by the free and independent action of the said churches through their governing bodies and in accordance with their respective constitutions.

And the reply of Mr. Lafleur was as follows:

> Now my submission is that that declaration is not proved. Not only is it not proved, but I submit with deference that it has been actually disproved here. I do not profess to know what the constitutional powers of the Methodist and Congregational churches are. I am not concerned with that because there is an apparent unanimity on their part to join this United church. But what I do assert with confidence is that within the Presbyterian church there is no power given to the church court and to the highest of the church courts, the General Assembly to put an end to this church.

Mr. T. G. McBRIDE (Cariboo): One or two things have struck me very forcibly in the discussion in this House. One in particular is that hon. members who claim

themselves to be Scotch fail to realize that they are now living in a civilized country and they seem to try to impress upon the House that they are responsible for establishing the Presbyterian Church in Canada. Allow me to tell them that they can claim no such credit as it was the Presbyterian Church of Ireland that established the Presbyterian Church in Canada. The Reverend James Murdock of the county of Donegal was the first permanently settled minister in Canada. His parish was the whole of the province of Nova Scotia. But the pioneer work of the Irish Presbyterian Church did not end in Nova Scotia; for while the Church of Scotland was hesitating and debating the advisability of undertaking missionary work in the far West, the General Assembly of the Presbyterian Church in Ireland sent the Reverend John Hall, a licensed minister of Bailiboro, as a missionary to Vancouver Island, and to him is due the honour of planting the Presbyterian church west of the Rocky mountains. Not only so, but when the great rush of people left for the Yukon the call of the wild was heard for the Gospel, and again a member of the Irish Presbyterian Church was ready to answer the call. The Reverend Mr. Dickie, of Kildare, was the first to leave for the Klondike to carry the church work into that far north land.

Another matter I desire to draw to the attention of the committee has reference to the way this amendment was brought before the committee when the bill was under consideration. We had the bill before us for some three weeks. We had every opportunity to study it but this amendment was brought in, and inside of an hour after it was submitted it was put to a vote. It has been said by the chairman that it was an understood thing that counsel should not be heard with regard to the amendment, but the fact remains that counsel were heard on every other item in the bill from start to finish, with the exception of the preamble. I had understood the counsel could be heard and asked for this but the chairman ruled that he would not allow counsel to be heard. I maintain that the committee did not have the opportunity to study the amendment that they should have had, and that it was forced through that committee without giving those in charge of the bill a fair chance to consider it.

Mr. LEWIS: In fairness to the chairman, I think it ought to be stated that the committee decided against hearing counsel before he ruled that counsel should not be heard.

Mr. McBRIDE: Can the hon. member point that out in the evidence?

[Mr. McBride.]

Mr. LEWIS: I understood it was stated the other evening.

Mr. McBRIDE: In connection with remarks which have been made that 75 per cent of the Presbyterians are opposed to church union—

Mr. CHAPLIN: The hon. member says that the chairman was unfair in the committee in regard to the matter he was discussing. I object to that statement. The chairman is not here. The records will show an entirely different situation. If Mr. Mason had a certain time and was not allowed to speak, it was because of a pre-arrangement, and the records will show that. I want to correct the hon. member.

Mr. McBRIDE: I have no apology to make for the statement I have already made. I state that in my opinion the amendment was rushed through the committee, and the proof of that is that it was carried in less than an hour after it was brought in by the hon. member for Lunenburg. It was read, handed to the chairman and read by him. What time did they give the committee to study that amendment? We had the bill before us under consideration for about three weeks.

It has been said by hon. members that 75 per cent of the people of the Presbyterian church are opposed to church union. I state here to-night that not one per cent that I know of, in the constituency that I represent, are opposed to church union. If any hon. gentleman will stand up in this House and say that 75 per cent of the Presbyterians are opposed to church union, that is enough to discount any evidence or anything else he may have to present to the House. He has no right to make such a statement. The action of the General Assembly has proved beyond the shadow of a doubt that that is not correct, and the vote taken proves the same. I do not think it is the business of this House to work contrary to the action of the General Assembly, the head of the church. I ask those who are opposed to this union and who favour the continuance of the Presbyterian church, what government they want in the church? Do they recognize the General Assembly as the head of the church? If they do not, what authority do they place at the head of the church? What other organization is there that has not a head? The General Assembly is the head of the church, and I think it is up to this parliament to vote down the amendment and pass this bill as originally introduced.

Mr. T. H. McCONICA (Battleford): We have heard a good deal since this debate began about the rights of the minority and doing justice by the minority, and it comes from our Presbyterian brethren. I have perused with some care the rules and regulations governing the Presbyterian church, and I do not find that those rules and regulations recognize that there is such a thing as a minority. If the minority have rights they fail to show it in the regulations of the church. The rule of that church is that the majority govern, that I think is the rule in every Protestant church, and the rule is absolutely necessary to the continuance of any Protestant church. Otherwise, what have we? If the minority can impose its will upon the majority, what will be the result? Why, we may have half a dozen or a dozen minorities and each one will be ruling the roost. The only method by which a Protestant church can survive is for the majority to rule. When a man becomes a member of the Presbyterian church, he does so voluntarily. He does not acquire any property right in that organization. It is not like going into a business enterprise. The arrangement is purely voluntary on his part. He continues his membership and he retires when he sees fit. He is accepted if they see fit to take him. He is expelled if he does not behave himself according to the rules and regulations. The whole arrangement is an association at will. As I have said, he has no rights in the property. When he retires he takes none of it with him and, therefore, I say that he is merely there subject to the rules of that church. When he joins he agrees to be subject to the rules of the church, and those rules provide that the majority shall rule in the election of officers and so forth.

The hon. member for Pontiac (Mr. Cahill) is distressed because he cannot tell whether the proper procedure has been followed by the assembly of the Presbyterian church, and he, therefore, proposes to submit the matter to the courts. Let us go back of that a little. The hon. gentleman will find upon examining the records that two elections have been held and a very pronounced majority of those voting in both cases voted in favour of union.

Mr. ROSS (Kingston): Why was the second vote taken?

Mr. McCONICA: Because there was some complaint about the first. That is all there is about it. When a man joins the Presbyterian church he has the right to vote upon matters of that kind. He can vote which way he chooses, or if he feels so disposed, he may stand aside and let others determine the question for him. He is under no obligation to vote. He may feel that he is not competent to decide the proposition, or he may feel that he is not sufficiently interested to take the trouble to vote. But the point is that a very pronounced majority of those voting favoured the union. Whether that has been carried through in all respects regularly or not is not so important. What we want to know is: Did the Presbyterian church want the union? The vote taken upon two occasions, with ample opportunity for the members to exercise their right, shows that they did. Whether they exercised it or not, they acquiesced in it, and the union has been effected. The doctrines of the Presbyterian Church in Canada to-day are set forth in schedule A, and they will continue so to be, no matter whether this bill passes or not.

What is the proposition? We shall take this thing to the courts. They say: There is a serious division in the Presbyterian church. I am sorry to say that there is a good deal of division, and the longer this thing keeps up the more serious it will become. There is no question about that. If it goes to the courts, will that cure it? Supposing the court decides that the proceedings have been regular; that everything has been done in order, and ratifies the union, and some four or five years from now the union is perfected. Will that cure the wounds of hon. gentlemen who are complaining to-day? Certainly not. There will be a more serious division then than there is now. The sooner we get this thing consummated, the sooner we wind it up, the better it will be for the church, both the majority and the minority, in my opinion.

The hon. member (Mr. Wilson) complained that one minister made fun of the doctrines of the Presbyterian church, and he is seriously distressed about that. If this union fails and that gentleman continues as a minister in the Presbyterian church, will that heal the wounds of the hon. member; or, will the situation not be just as serious if he continues as a Presbyterian minister as if he goes with the union? I do not think that is a thing that could be settled one way or the other by the result of this vote. This matter has been hanging fire for twenty years. Everything has gone along with due deliberation. The Presbyterian church has voted upon two different occasions, and the terms of union have been agreed upon. It has been ratified by the General Assembly; it has been referred back to the presbyteries and ratified by them. It is to-day the doctrines of the Presbyterian Church in Canada and it will continue to be so. What will be the result if we do not pass

this bill? We shall have the union. It will be a crippled, disordered affair; but it will be in existence, and when the courts have threshed the matter out, it will ultimately come to its full fruition.

But the hon. member for Pictou (Mr. Macdonald) is distressed about his constituents. He says that they are against union. That is quite probable. He says that they voted against union. I quite agree with him. But what of it? If this bill goes through, they will still be Presbyterians. They will still worship just as they have been worshipping. They will still have their church. They will carry on their affairs as they have in the past. And I suppose they will continue to elect him to parliament just the same as they have done in the past. It is the proper thing that they should do so. But if a resolution should be introduced there that the minority candidate should go to parliament, there would be trouble in Pictou.

No one goes into this union unless he sees fit to do so. If they remain out, they keep their church; they keep their share of the general property; they go on as they have been doing. But one hon. gentleman says: They cannot use the word "in" in the name. The name must be the Presbyterian Church of Canada instead of the Presbyterian Church in Canada, and it is an international church. The Presbyterian church is international, but the Presbyterian Church in Canada is not international. It is a Canadian affair and it will be a Presbyterian Church in Canada whether the word "in" or the word "of" is used in connection with it. I hope that we can bring the matter to a decision now. Do not let us hang it up in the courts indefinitely because a church matter must be settled by the church. I seriously doubt whether any court will take cognizance of the proceedings that have gone on in the Presbyterian church looking to the consummation of the union.

Mr. LEON J. LADNER (Vancouver South): I do not propose to take up very much of the time of the committee.

Some hon. MEMBERS: Hear, hear.

Mr. LADNER: Hon. gentlemen say "hear, hear," but that is an easy and cheap way of shirking responsibility. This is not a matter that can be treated lightly, for it concerns nearly three million Canadian people who are adherents and members of the churches which are parties to this proposed union. In my own constituency there are a number of these people and I am going to express what I consider to be their prevailing will in this regard. There is not the slightest doubt in the mind of any one who reads the brilliant address delivered by Mr. Lafleur to the committee that the main objections of that gentleman to the bill are of a legal and technical nature: the loss of the identity of the church, and the powers of parliament, are what concern him most. I think there comes a time when parliament, which is the lawmaker in the country, must function without too much restriction by consideration of the technicalities of the case.

Some three million people concerned in these churches have been considering the question of church union for about twenty-two years, and during a considerable part of that time they have struggled to find a common ground of agreement on this question. We as members of parliament are asked now to face the responsibility of passing this legislation. What are we to do? Are we to express the prevailing will of the people who are concerned in the proposal, or shall we be impelled to a course of action by our own personal ideas and prejudices? We know that the Congregational and the Methodist churches and a large proportion of the Presbyterian body are desirous of having a union upon a certain basis. I think most members of the committee have heard much of the evidence and have read the propaganda which has been circulated in this matter; they have also seen authoritative data and are consequently in a position to consider and determine the fundamentals of the question just as well as the Private Bills committee which divided in the proportion of 27 to 23 after a consideration of the whole subject. Some hon. members say they will support the committee; that may seem the dignified thing to do. They say that the committee heard the evidence and know more about it than they do. No doubt the Private Bills committee heard the evidence, but apparently they were about evenly divided in their decision; and that is not the sort of verdict that will determine me in coming to my conclusion on this question.

We know that in 1915 a general vote was taken—no doubt the figures have been put on Hansard—and a conclusion was reached at that time as to the will of the communicants. I have here a paper containing the basis of union and all the essential facts relative to the events which would ensue upon a vote which should prove favourable to union. This document cites the basis of union which is now the basis of this bill. That vote was taken in 1915 and in an appendix there appears the following:

When a basis of union has been agreed upon by the negotiating churches the union shall be consummated and the United church incorporated by special act of parliament of Canada.

So that due notice was given of the procedure which would be adopted. What happened? There was a popular vote in the Presbyterian church favourable to union. There was unanimity on the part of the Methodists and the Congregationalists, and pursuant to the vote an agreement was worked out satisfactory to the committee of each of the churches concerned. The action of these committees was endorsed time and again by the constituted authorities of the Presbyterian church, and from 1916 until the present time they have been considering the matter and now have reached a conclusion. A certain number, the minority, do not agree with the decision and they come to parliament and say that although the petitioners ask for union they should be handed a lawsuit; because that is what it amounts to. Not only that; the bill is so framed that if the courts should declare that there has been some irregularity in the procedure of the General Assembly, then the whole legislation falls and those interested in the union will be unable to consummate their purpose without coming back to parliament again and going through the whole procedure which we have witnessed during the past few months.

Mr. MARTELL: Is it not true that litigation is pending at the present time and does the hon. member think that it would be fair for parliament to pass an act in such a way as to put out of court the other people who have begun action?

Mr. LADNER: In my opinion the writ is merely an excuse.

Mr. WILSON: That is not a fair statement and the hon. member should withdraw it.

Mr. LADNER: I will not withdraw it. That vote was taken, the agreement was arrived at during the war and there was a postponement of the controversy. At the next General Assembly following the close of the war the General Assembly met and pursued a course of action which was clear to all concerned. Why was that writ not issued in June of 1921 when it was known what was taking place? Why was it not issued in 1922 or 1923? Why did they wait until the last minute and then issue the writ and make it the basis of their opposition before the committee?

Mr. MacLAREN: If the hon. gentleman will allow me I will try to answer his question. The General Assembly can repeal, or change, or modify the decisions of the previous year as much or as little as they see fit; and there was no final decision until the application was made to parliament. Therefore no action could be taken. I would ask my hon. friend as well as others to read the letter, which I read the other day, from the learned counsel in the case, giving a full statement of the matter.

Mr. LADNER: Well, I submit that the principles and the basis of the agreement were determined about 1916. And how can the General Assembly change an agreement to which three churches are parties? I never heard of such a legal doctrine as that before. When three bodies, be they corporate or not, come to an agreement and execute it, and actually form unions among three thousand churches throughout the Dominion, surely there can be no authority in the General Assembly to alter the agreement without the consent of all parties concerned.

I return again to the writ issued in this matter. Some of the opposition to this measure comes from my friends sitting near me, and perhaps they will be interested in giving a satisfactory explanation of this significant fact, that a man having the power of the courts in his hands, and knowing the course of events, knowing that legislation was going to be sought to carry the union into effect, waits until parliament sits before he takes this remedy which he believes he has. He had three years to think over it.

Mr. ROSS (Kingston): Is it not a good time for him to do so now?

Mr. LADNER: Yes, but it does not carry the weight of a man who is really sincere in his motives. It reminds me of a man who fails to pay his notes for about five years, and then when he is sued comes back with a counterclaim which perhaps you never heard of before. I really think we must get beyond the technicalities of the law. Parliament is here to carry out, if it can, the prevailing will of the people, with due regard to the rights of the minorities concerned.

Mr. WILSON: Should litigation be the first or the last resort in a case of this kind?

Mr. LADNER: For my part I do not think there should be any litigation at all. There is no doubt that if these institutions are to be run in a practical and common sense way the democratic rule must be accepted—the rule of the majority, with fair treatment of the minority.

Mr. WILSON: Was there not a majority in the committee?

Mr. LADNER: Not when the majority is 27 against 23, and about 14 members rushed in at the last minute who did not know much about what they were voting for.

Mr. WILSON: I draw the attention of the committee to the fact that that statement is not correct.

Mr. LADNER: I am afraid my hon. friend is getting too serious about this.

Mr. WILSON: It is well to be serious and to stick to facts.

Mr. LADNER: Mr. Chairman, my opinion regarding the vote is based upon information which I readily and willingly accept. I do not think I shall have any very serious dispute with my hon. friend as to that. The real objection to the proposal contained in this bill is to be found in the very able and brilliant legal address of Mr. Lafleur. He says that the church is losing its identity, and because of that the minority have a right to be heard. On the other hand, those urging the adoption of the measure contend that the identity of the church is not lost, that it is merged into a bigger organization in order that it may the better carry out the purpose for which it was founded. Mr. Lafleur also contends that it is beyond the power of parliament to enact certain legislation dealing with the question of property and of indemnity involved herein. That contention was answered conclusively by Mr. Tilley and by others to the effect that the bill proposes to deal only with property under the federal jurisdiction, so far as the federal powers apply, and with property under provincial jurisdiction so far as provincial powers apply. The argument of Mr. Lafleur is largely legal and technical, and I submit that the real point which concerns us as public men having the interests of all these people at heart is,—what the great majority of those interested in the churches concerned wish done. If there is fair and reasonable treatment of the minority, I think we must show the courage of our convictions and the sense of our responsibilities and make a conclusion of this matter before the controversy reaches a degree of bitterness that will bring neither respect nor good to the religious institutions of the country.

Mr. MACDONALD (Pictou): Mr. Chairman, I want to say a word or two in reply to the remarks of my hon. friend who has just sat down (Mr. Ladner). He undertook to dispose of Mr. Lafleur's very learned argument before the committee by saying that it dealt entirely with technical points. I am sure that his description will not be borne out by any hon. gentleman who were present before the committee, nor by those who have read the printed address. Because my hon. friend does not happen to belong to any of the religious bodies which are affected by this bill, he assumes to take a detached view, but I would point out to him that one of the essential features of the whole controversy is that the Presbyterian church with its century-old traditions is held by its adherents and members in great respect and devotion. After the distinct undertaking given in the General Assembly during the war that nothing was to be done until after the war was over, to contend to-day that because a vote was taken nine years ago, parliament should assume that the opinion then expressed indicates the exact views of the men and women who compose that church to-day is, I submit, a very weak argument.

11 p.m.

Mr. LADNER: Does the minister take into consideration the fact not only that the vote was taken but that pursuant to the vote an agreement was made in 1916?

Mr. MACDONALD (Pictou): If my hon. friend will read the statement of the events in regard to this matter, submitted by me to the committee, from Rev. Dr. Gordon, former principal of Queen's university, he will find those events detailed with accuracy and he will be better informed in regard to what the real situation is. Suppose two companies with vast commercial interests had taken a vote nine years ago upon some question looking into the consolidation of their interests; would anybody seriously suggest that parliament could be expected, in view of the changes which have taken place in the business life of this country and of the other events that have occurred during the last nine years, to treat that expression of opinion as being the view of the shareholders of to-day? A great deal has been said about what the majority of the church said. There was a distinct resolution after the vote of 1915 by the assembly to the effect that nothing would be done on account of that vote.

Mr. LADNER: Where is that resolution to be found?

Mr. MACDONALD (Pictou): My hon. friend will find it in a letter from Dr. Gordon that I quoted two nights ago. The assembly refused the request of those who wanted to maintain the Presbyterian church that another vote should be taken in order to determine what the views of the members and adherents

of the church are to-day on this question. There has been no means of ascertaining what the real opinion of the church is to-day. Much has been said on all sides about the majority being in favour of this action,, but there is no evidence that there is such a majority. If those who compose the assembly felt that the majority of the church were in favour of union, why should they not take a plebiscite as they did in 1915? It may be said they did not have to do so, but if they did not have to do so, why did they do it on two occasions before?

Mr. LADNER: Does the minister say that the constitution of the church is such that a popular vote is required?

Mr. MACDONALD (Pictou): My hon. friend is getting away from the main point. The last vote was taken in 1915, and following that the assembly decided they would take no action. Since 1915 there has been no expression of opinion on the part of the members and adherents of the church upon this question.

Mr. CRERAR: Is it not a fact that those opposed to union have stated even within the last year that if another vote was taken and that vote was in favour of union, they would not consider themselves bound by it?

Mr. BROWN: And is it not true that the responsible officers of the Presbyterian Church Association have taken that stand?

Mr. MACDONALD (Pictou): I am not acquainted with the views of everybody who is opposed to action in this matter. I am simply arguing that it is not reasonable that an opinion expressed by a plebiscite in 1915 should be regarded as the opinion held by members and adherents of the church in 1924. At least 100,000 persons have come to manhood and womanhood and have joined the church since that time. Many changes have occurred as a result of the war, and I say that those who argue that a decision arrived at in 1915 is an indication of the view held at present is basing his argument upon very weak premises.

Mr. LADNER: What would the minister say with regard to the agreement or arrangement arrived at by the three churches following that decision? What would he do with regard to that agreement? What would he do with respect to the action taken by these three churches on the strength of that agreement?

Mr. MACDONALD (Pictou): My hon. friend is evading the point.

Mr. LADNER' I am asking a question based on pertinent fact. The minister always says I am evading the issue.

Mr. MACDONALD (Pictou): At the moment I am arguing that the assertion that a majority of the Presbyterian church is in favour of this legislation is not based upon any evidence. Those who are promoting this bill, the basis of which is supposed to be a spirit of true democracy, say that they come to parliament with legislation which has behind it the views of the majority of people. Why, then, did they not ask the people to express their views as they did in 1915?

Mr. HOEY: How would you make provision for taking the vote of those who have actually effected a union of the churches in different parts of Canada during the last ten or fifteen years and who are neither Presbyterians nor Methodists?

Mr. MACDONALD (Pictou): The great mistake that has been made by those who are promoting this measure is the attempt to coerce the alleged minority. In Western Canada they tell me there has been co-operation, not so much union.

Some hon. MEMBERS: Oh yes.

Mr. MACDONALD (Pictou): Well, under what statute?

Mr. FORKE: No statute, but it is a union all the same.

Mr. MACDONALD (Pictou): What is the basis of it? It is a question of the different churches agreeing to co-operate and have only one church in the locality concerned.

Mr. FORKE: That was never the basic idea. It was simply a question of getting together, of uniting while awaiting the consummation of the greater organic union that they were looking forward to.

Mr. MACDONALD (Pictou): Well, my hon. friend misses the point that I make in that regard. I say that the action which has been taken was based upon mutual co-operation and understanding. If you have either co-operative churches or union churches in localities in the West, you have them by reason of the fact that men have respected each others views and have agreed to co-operate. The trouble with the measure now before us is this: There came a time when certain men who wished to dominate the whole situation, ignoring the views of an undoubtedly large number in the church who did not desire union and the decision of the assembly not to take steps to proceed

to union—these people, without taking a vote in 1923, as they did in 1915, without taking any intervening step to ascertain the views of the people of to-day, now come to parliament and ask parliament to coerce the minority and to take their rights away.

Mr. MacLAREN: Is it not a fact that in the early stages when union was proposed it was agreed officially that in order to enter into union there should be practically unanimity?

Mr. MACDONALD (Pictou): My hon. friend states what is actually correct. I read an extract from the minutes of the Assembly recorded in the very beginning of this discussion on union in which it was stated that it was universally recognized that a union of the churches to be real and lasting must carry with it the consent of the entire membership.

Mr. LADNER: The minister has not answered a question which I put. It is this: What would he do with respect to the arrangement or agreement made between these three churches following the vote and the action of the committee—not only the arrangement but the carrying of it out in many respects? Would he allow one of the churches to abrogate that agreement and back out of it?

Mr. MACDONALD (Pictou): What occurred in the matter was that in 1917 the assembly agreed to suspend further action in connection with union until the year after the close of the war. Consequently, if any action was taken without going to the people the parties with whom they were dealing knew very well that such a course was adopted without obtaining the necessary expression of opinion from the people as to whether they were in favour of union or not.

Mr. D. A. MACKINNON (Queens, P.E.I.): I was a member of the Private Bills committee which had this question before it for six weeks. The chairman of that committe in his address to the House expressed the conclusions of the committee in a very fair way, and I must say that in his conduct as chairman throughout the whole time the bill was under consideration he discharged his duties admirably and to the satisfaction of the entire membership. For my part however, I have come to the conclusion that we should not by legislation compel our brethren to go into the courts to have a matter like this decided. If we do that it seems to me that we demonstrate one of two things; that we are incapable of deciding this matter ourselves, or that there is a danger of perpetuating strife. If we can avoid litigation I think there is a peaceful and prosperous future ahead of both the Presbyterian and the United churches. I believe it is not generally known that under the bill as first introduced Presbyterians were practically legislated into the union whether they are willing or not. None of us cared to see such a course as that adopted. Accordingly the clause was amended in such a manner that every Presbyterian congregation from sea to sea has the right and the privilege to vote itself into union or to continue Presbyterian as it wishes. The last speaker urged the importance of leaving this matter to the votes of the people. Let me point out that the bill in its present form does leave it to the vote of every congregation in Canada to decide whether they shall or shall not join the union. That is the result of the amendment made to the tenth clause of the bill, and I consider that was the fairest thing that could be done. In this matter there has been a proposition to refer this matter to the Supreme court or to the Privy Council. Supposing that were done and a decision favourable to the minority was rendered; is it contemplated in that event that the minority shall hold all the property of the church? Is that their position?

Mr. DUFF: That is not their position. A fair division is proposed.

Mr. MACKINNON: Is not that what the bill proposes? We have gone into that matter as a committee very carefully and I for one would not agree to any proposition that did not extend fair treatment to all concerned. Personally I do not care for a reference to the courts on such a matter as this. Getting into litigation means the creation of enmities and not friendships. Recourse to litigation means the continuation of the present ferment. There may be a delay of six months or a year or more if the case goes to the Privy Council. Contention may have an attraction for some Scotchmen but it does not appeal to me, and I am as full of the Scottish spirit as any man. I am speaking here to fellow Canadians and I plead for the display of a broad and generous spirit. I think that those who do not come in under this bill will be treated generously and that is the right Canadian sentiment.

A great misunderstanding has arisen over the disposition of property. This legislation does not touch a church or a manse from ocean to ocean; that is a subject for the provincial

legislatures. What is dealt with here chiefly are the funds of the churches. To listen to some arguments that have been advanced one would imagine that these funds were the property of the minority, whereas they belong just as much to the majority of the General Assembly as they do to those who are opposing union; in fact the unionists have a greater right to a share of the funds when it comes to the question of division. These moneys certainly are not owned by the minority. As to the appointment of a commission what is the situation? The membership might have been chosen on the basis of five to one. But a fairer decision than that was made. Those in favour of union said "We will only appoint three and the minority may appoint three. These six will choose the remaining three." What fairer arrangement, as between Presbyterians, could be arrived at.

I regret some of the remarks which have been made this evening with respect to some of the distinguished clergymen who have been here supporting church union. They have been working incessantly for a fine ideal, and they have not merited the criticism that has been passed with respect to them. They are men of vision, they look out and see the church of the future and they hope that their anticipations will be realized. But we shall not get very far along the path of progress in this country if we have strife where there should be unity, if we have discord where there should be peace. Only by working together in a spirit of amity and goodwill can we proceed in this country towards the goal of prosperity and success—Not by might or by power but by the spirit of conciliation and love may Canada be regenerated religiously, socially and nationally. Let us pass the bill and allow the Presbyterians and United churchmen to go forward to their duties courageously and with good cheer.

Mr. SUTHERLAND: My hon. friend has stated that the question at issue relates to church property. If the courts provide a true and impartial method of settling disputes, why do you fear the result of an action in the courts? Would it be fair for parliament to take a position that might be contrary to the decision that might be given in the courts?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I feel that I cannot conscientiously give a silent vote on this great question. To my mind we have been discussing a great deal to-day, matters that should have been discussed in the church courts. We have been discussing the question of union and whether we are in favour of union or not. That is not the question before the House. That is a question to be decided by the church courts. There has been a division of opinion as to whether that has been decided by one of the churches or not. Again I say that is the business of that church; and we as a parliament have no right, though we can exercise the privilege, to trespass upon the ground of any of the churches that wish to become a party to this union. The questions to be decided by them within their own jurisdictions are the questions of union, and we are here as a parliament, not to say whether we are in favour of union or not, not to say whether union of the churches would be a good thing or not, but we are here to give a decision which means that we say to these churches, either "You can unite as you agreed to unite," or "You cannot unite"; because this union cannot take place without legislative sanction of this House, even though its provisions may be somewhat restricted.

Have the proper courts of these churches decided? In other words, have the courts of the churches formed by the members of the churches themselves given their decision? The question is not for parliament to decide whether the General Assembly represents the views of the people of the Presbyterian church or not. That is the church polity of the Presbyterian church. If the machinery that church has provided through which to express its views is imperfect, that is the misfortune of the Presbyterian church, and this parliament has nothing to do with it. There must be some head, some mouthpiece, if you care to use that expression, some court through which the Presbyterian church can legally express its opinion. What is it? The General Assembly of the Presbyterian church. This parliament has nothing to say about how it is formed. That is the prerogative of the membership of the Presbyterian church, and I say it in all kindness, if during the twenty years since this matter has been inaugurated and discussed the membership of the Presbyterian church has been satisfied to allow the General Assembly to remain the legal mouthpiece of that church, then we ought to take the expression of view and opinion of that mouthpiece as the expression of opinion of the Presbyterian church. I do not possibly see how we can do anything else, unless we propose to pass a bill to reorganize some of these churches. Take the Methodist church: it has its quarterly official boards. Then it has its districts with their district meetings. It has its annual confer-

ences, then its General Conference. If we are not to take the voice of the General Conference of the Methodist church, what voice are we to take as the voice of that church?

Mr. HOEY: We cannot take any.

Mr. GRAHAM: There is no voice and no court to which we can appeal for an opinion, if it be not the court set up by the members of the Methodist church itself. This parliament did not set up that court, it had no right to set it up; but within the jurisdiction of the Methodist church itself has been created a tribunal called the General Conference. That General Conference, in the name of the Methodist church of Canada as its official mouthpiece, said "We want to go into this union". Can we go behind that, even though a number of Methodists said they did not want to go in? It is for the churches themselves to reorganize their own organization and get a proper mouthpiece to express their views, if they have not got it at the present time. The Congregationalists have the same method to which I will not allude, because I am not as familiar with it.

We are in a very grave and responsible position to my mind. We are not here voting as unionists or anti-unionists. we are here to adhere to the prerogatives of parliament and not to encroach on the prerogatives of the churches. These churches have said, through the only organizations that we as a parliament know of; through the organizations that they have erected, constructed and maintained themselves from time immemorial, that they desire this union. We are here to ask ourselves, should we allow these three great churches to carry out their own expressed wish, or are we as a parliament to interfere and place a barrier in the way to prevent those churches doing what they have asked us to allow them to do? If it had not been essential to have legislation here, these three churches would have been united, and we are only an incident in the machinery provided to allow this union to take place. I say it is a difficult situation. Perhaps I should not say that, but it is an important moment, not only in the history of the churches, but it is an important moment with reference to the constitution of our parliament and the definition of its rights. If we are going to take the position that we can legislate to encroach upon the rights which we in Canada have given to the various churches, and which is one of the bulwarks of our freedom in this country, then we are taking a new stand and we are taking the position that we have the right to create a state church in the Dominion of Canada.

I have not said whether I am in favour of union or not but I do maintain—and this is the only position I take—that as a member of parliament it is my duty, I believe, to respect the rights of the Presbyterian the Methodist and the Congregational bodies in this country, and they, through their courts instituted by themselves, have decided that it would be a good thing for the great cause which they represent that they should be united in their efforts instead of being divided. I believe I am doing my duty as a member of parliament by keeping myself aloof from the differences between the churches and saying to these churches: I am prepared to support you in carrying to a consummation through this bill, the objects for which for years you have striven, and which in your considered judgment are best for the churches and best for humanity.

Mr. MACKENZIE KING: Before the vote is taken, may I say a word with respect to the attitude of the government and my own attitude on this important measure?

It is hardly necessary again to draw the attention of the committee to the circumstance that this bill is in no sense a government measure. It is a private bill introduced in this House by one of its most respected members, at the instance of the governing authorities of three great churches that have asked for the right to be united into one church. Prior to the present moment, only two members of the government have spoken, and each of them, I think, has spoken emphatically. They have not been on the same side in the controversy. When the division comes later in the evening, I have no doubt hon. members will see that the government itself is very much divided on this question. I should like to make this clear, because throughout the discussion of the last month it has come to me that rumours were being circulated that I was taking a certain attitude and requesting members of my party to adopt likewise a similar attitude. At other times, rumours have come that my attitude being otherwise, the difference of view expressed by some members of the party was due to that different attitude. I wish to make it perfectly clear, that in this matter, from the beginning of the discussion until this moment, I have not desired that any member of parliament and particularly any member on this side of this House should in this matter vote other than as his conscience and sense of duty and right impel him to vote. I cannot make it too clear that the government as a government is assuming no attitude in this matter.

has no responsibility for the outcome; and that as I speak here to-night I am voicing my opinion only as one member of this House, and on this question I wish to express that opinion with the utmost humility.

May I say first of all that the bill having come to the House in the manner described the first question we are obliged to ask ourselves is: Is the purpose one which commends itself to parliament? The object of union of churches, the incorporation of churches for the purpose of union, is a great purpose, and if incorporation is needed to give effect to that purpose, I think all hon. members will agree that in accordance with what is legal and right we should further that object in so far as it is possible for this parliament so to do.

We have next to ask ourselves the question: Has this parliament jurisdiction in this matter? And have the churches that are applying to this parliament for incorporation jurisdiction or power to consummate the union which they have asked this parliament to give effect to by the bill which is before us? Having considered these points, we have also to ask ourselves: Have the churches complied with their own constitutions and established procedure in the steps they have taken to effect union; and, in the bill which we have before us, has due regard been had for the interests of minorities that may be affected? As to the last question, whether the rights of minorities have been safeguarded, we can deal with that when we come to the sections of the bill in reference thereto. I think it will be found that if in other particulars the bill is satisfactory, those who have had to do with the measure, have endeavoured to consider in a broad and generous way, the rights of minorities. As to the question of compliance with procedure in seeking union, as nearly as I can gather, there is pretty general agreement, that the procedure so far as it relates to matters other than the power of the Presbyterian church to ask for union, or rather to form the union contemplated, has been regular and in accordance with the constitution and polity of the respective churches.

As to jurisdiction, it is important that the interested parties not less than parliament should understand clearly that, under the British North America Act, certain rights of exclusive jurisdiction are assigned to the provinces; others are assigned to the federal parliament. The well known section of the British North America Act, section 92, under the heading of the exclusive powers of provincial legislatures, reads as follows:

> In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated, that is to say.

Then follows an enumeration of the classes of subjects and number 13 is "property and civil rights in the province." Therefore, this federal parliament has no power whatever to legislate in regard to any matters concerning property and civil rights within the different provinces. This bill necessarily concerns property and civil rights in many particulars, and I think it is important, we should make it perfectly clear, in any legislation that may be passed, albeit such a clause be but declaratory, that in the provisions of this measure, this parliament is not going beyond the scope of its jurisdiction in any particular. I have, as possibly hon. members may have noticed, drafted an amendment which I think will be sufficient to cover that point and which I believe the House will accept without question when we come to the later stages of the bill.

As to the one remaining point, the power of the churches to effect the consummation of union, from what I have heard and read of the committee's proceedings, from what I have gathered in communications that have come to me, not by tens or hundreds, but I might say almost by thousands from all parts of this country, and from what I have gathered from the discussion in this House during the course of this debate, I believe there are two extreme positions, neither of which is deserving of support. There is one extreme which maintains that, under no circumstances, under no conditions, should union of these three churches be permitted. There are those who as respects one of the churches concerned take the position that its constitution concerning principles is such that its members, those in authority, have not the right to effect a union with the other two churches. They say that that is a condition that cannot be changed. Let me be quite plain. That question has not arisen with respect to the Methodist church nor with respect to the Congregational church. It has arisen with respect to the Presbyterian church. There are some who take the position that the Presbyterian church, even by the will of the authorities duly constituted, has not the power to ask for union, to form a union with the other two churches. Those who support that point of view seem for the most part to be unwilling to permit that question

to be decided except in the courts, and as the result of litigation which, to appearances, might extend over a number of years.

Personally I have little sympathy with such a point of view. Personally, I do not see why it should not without litigation be possible to decide whether or not that power exists in the Presbyterian church. If such a power does not exist, I cannot see why, knowing the nature of the disability, unless it be of a character which commends itself to parliament, a means should not be found by parliament of speedily removing that disability. That is the reason why, having regard to what is customary in such references, much to my regret, I find it difficult, indeed impossible, to support the amendment which has been made to the original bill by the committee of this House to which it has been referred. That amendment provides that this question must be settled by carrying a particular case, which is in the courts at the present time, through the Supreme court and if need be, to the Judicial Committee of the Privy Council; and by mentioning the first of July, 1926 as a possible date at which parliament might deal with the question again suggests a period of litigation seemingly interminable. Who is there in this House this evening who can believe it to be in the interests either of church or state that a great religious controversy should be carried on in this country for the next three, four or five years? I think such a controversy would be the greatest misfortune for our national life, and certainly a very grave misfortune, for the religious life of the churches concerned; and for my part I am not willing to support any proposed legislation which contemplates litigation over a term of years. I think the gentlemen who in the name of their churches asked us to enact this measure are right in the position they take in regard to the amendment suggested by the committee, not so much on the ground of principle, as on the matter of time and the amount of litigation involved in what it proposes. They say, "We came to you for legislation and you are giving us litigation." I do not think we should give litigation. I think we should find means of settling this controversial point without the necessity of prolonging controversy in the courts.

What is the other extreme position? At the other extreme you have a number of gentlemen who say, "We wish to have this union consummated, and we ask the parliament of Canada to consummate it whether or not the Presbyterian church has the power to form a union with the other two churches." They ask us to use the might of parliament—because parliament, they contend, is all powerful—to consummate the union irrespective altogether of whether the Presbyterian church as at present constituted has the power to form such a union with the other churches. They ask us to compel the Presbyterian church to enter that union. Now, speaking again in all humility, may I say that such a method of proceeding does not appeal to me at any time; and it appeals to me less with respect to matters concerning the Christian religion and the Christian faith than in regard to anything else. My hon. friend from Brantford (Mr. Raymond) last night, speaking in this House, said very truly and wisely that the more of power we have the more careful we should be in the manner in which we exercise it; and when I am asked to use the might of parliament, regardless altogether of whether the power does or does not exist in the Presbyterian church to unite with the other churches, to compel that great historic institution, while a large proportion of its following say and believe the church has not the power, to go into union with the two other bodies, I for one cannot see my way to support such a method of proceeding.

May I draw the attention of the House to this circumstance. The Presbyterian Church in Canada has suffered disruption through this controversy. Let us remember that this great church is split in twain; its membership is irrevocably divided; never again will there be in this country the one Prebyterian church which our fathers and our forefathers have known in this Dominion. We are standing at the parting of the ways and we can help to bind the wounds that have been inflicted in this process of disruption, or by our action to-night we can help to make more difficult for all time the position not only of those who stay out of the union but also of those who go in. It is a time for conciliation not coercion. There are hundreds and thousands of men and women in the Presbyterian church who want to go into the union; but do they want to enter the union in virtue of a power which their church does not possess or concerning the possession of which there can be a shadow of doubt? Does the Methodist church, does the Congregational church, do the Presbyterians who desire union, wish to found their new church upon a doubt, not to use a stronger term? Is that to be the foundation for a great church propagating the teachings of Christ—a foundation of

doubt? Or is it rather the desire and the aim of all who seek to carry out the teachings of the Master that whatever they do shall be done in a spirit of conciliation and goodwill and in a manner which, if such can be found, will remove all doubts whatsoever?

You ask me, how are these two extreme positions to be reconciled? That is the problem. I do not believe it is difficult of solution, certainly not in a Christian spirit; I believe the solution will be found in a practical application of the central tenet of the Christian religion, following what is known to us as the Golden Rule, to do unto others as we would have them do unto us. I believe that the Methodist church in this country and the Congregational church both wish that rule to be observed; I believe that the Presbyterians are anxious to see it applied in this instance in a solution of this question. Personally it is the only rule I wish to be guided by in reaching a decision as to my attitude on this matter; and it is because I wish to govern my own thought and action in accordance with that rule that I regret that this afternoon the amendment which was proposed by my hon. friend from Skeena (Mr. Stork) was not permitted by common consent of the committee to be moved and to be put before us for the purposes of debate. I believe that the amendment which that hon. gentleman offered provides a way out, a way which should be satisfactory to all who really desire the consummation of union on a foundation that will be enduring and above criticism in any regard. What was his proposed amendment? It was that this bill should become law. He accepts the amendment of the hon. member for Lisgar that the bill should go into force in July of next year; he accepts that. But he adds one proviso, namely, that as respects the Presbyterian church the question of the power of that church to unite with the others, which is the only matter in doubt, shall be settled by a reference by the Minister of Justice of a stated case to the Supreme court.

Mr. GOOD: Who outside of the Presbyterian church can determine that power?

Mr. MACKENZIE KING: Members of the Presbyterian church say to-day that there is a doubt as to whether that power exists; some of those who wish the union admit that there is that doubt. Those who are opposed to union say that their opposition is founded on that doubt, most of those who are asking for the union are as emphatic in their view that the Presbyterian church has the necessary power as the opponents of union are in the view that with the church as constituted, it does not exist. If those who are favourable to union are confident in this belief, what is there for them to fear from a reference of that particular subject to any tribunal?

Mr. FORKE: In the event of the Presbyterian church going to the courts, and the courts deciding against the General Assembly having power to go into this union, we would have two churches united. What would happen to the third?

Mr. MACKENZIE KING: I am glad my hon. friend has asked that question, for now I know what is in his mind, and it is one of the points which if I can I should like to make clear.

The suggestion of the amendment—and it would have been my own suggestion to the committee had it not found its place in the Votes and Proceedings of yesterday—is that this House refer this particular question, which is the only matter in doubt, by means of a stated case to the Supreme court. That case can be submitted to the Supreme court and finally determined before the end of the present year. Assume it is settled as the unionists say, or believe, that it will be settled; that it is determined that the Presbyterian church has the necessary power, then this entire bill becomes operative and no one, whether anti-unionist or unionist, can reasonably cherish ill-will towards his fellows as a result of the conclusion which has been reached. Some tribunal sooner or later has to decide the question, and if parliament refers this matter to the Supreme court for decision, it is simply prescribing the method that by and large has to be taken in all great controversies—that of ultimately referring to arbitration disputes that cannot be otherwise settled. If you object to the Supreme court, for my part I would not mind whether the tribunal was in the nature of a specially constituted commission of judges or lawyers or any other class of persons to be agreed upon. As I have already said, if such a tribunal were to decide that the church has the power which is now in doubt, the legislation would become effective and the union would be consummated in a manner to which no one could take exception.

But suppose the tribunal were to decide that the church has not the requisite power, what then? It will have to give reasons for so deciding. We will then know, the church will then know, the country will then know, what those reasons are. Is it because of some doctrine fundamental or otherwise of the Presbyterian church that union is impossible?

Is it because of some rule of organization that union with other churches is impossible? We will know what it is, and knowing, parliament will be in a position to act. If it is a disability of a character that should be removed, all that has to be done is for Presbyterians who desire union to come to parliament and ask that such disability be removed. Does any hon. member of this House believe that if parliament were asked to remove a disability which did not commend itself to the judgment of parliament and which prevented a great church, after following its regular methods of procedure and complying with its duly constituted rules, from participating in a union with other churches, that parliament would refuse so to act?

I hold the view, Mr. Chairman, with respect to matters of church and state, that the church within its sphere has powers and jurisdiction just as complete with respect to its doctrine, polity and destiny as the state has with respect to its own constitution and destiny. I would never support interference by the state with the right of any church to determine its own destiny, to shape its own polity, to do what it wishes with respect to its own doctrine. I know there are many who will not agree with me in that, but I believe that this House would be prepared were it shown wherein the Presbyterian church cannot control its own destiny, shape its own polity, and do as it will with respect to its own doctrine, to come to its relief and unless the reasons to the contrary were unanswerable would give it the fullest powers possible, and do so in a manner which would remove altogether any possibility of further doubt in this regard. Then the Presbyterian church, under the legislation which is already on the statutes, would go into this union not in an atmosphere of doubt and uncertainty but as a matter of fully established and recognized right.

Now, have I answered the question which my hon. friend wishes to ask?

Mr. FORKE: I cannot say that it is answered satisfactorily. Provided the decision went against the Presbyterian church, then we would have the Methodist and Congregational churches united—something which was never intended by the church courts.

An hon. MEMBER: Why not?

Mr. FORKE: It would not be legal. They have no authority to enter into any engagement of that kind. Their engagement is for the uniting of all three churches, and the courts deciding against the Presbyterian church, we would have to come back to parliament, and parliament would be still forcing upon us the very same thing we are objecting to to-night.

Mr. MACKENZIE KING: We would be in a very different position. What we are being asked to do to-night by those who wish church union under this legislation is to declare that that union shall be formed whether or not the Presbyterian church has power to enter into it.

An hon. MEMBER: No.

Mr. MACKENZIE KING: We cannot get away from that. We are being asked to compel that union whether the Presbyterian church has the power to enter into it or not. Now, inside of two or three months we can settle whether or not the Presbyterian church has that power. If it is found that the
12 m. Presbyterian church has not that power, and the majority of its members want that power given to their church, and ask this parliament for it, I believe parliament will be prepared to give the necessary powers to form a union. Then the union can be formed in accordance with legal rights and be in every particular above doubt and suspicion.

With respect above all else to the foundations of a new and great church, it seems to me that we shall be serving the interests of all concerned, if we take care to see that the church is formed on a secure foundation, a foundation that is beyond any question of doubt, a foundation that can give rise to no questionings or misgivings on the part of its membership, or to recriminations on the part of those who have not become of its membership.

In conclusion, may I remind this House that next to the sacred association—

Mr. LADNER: Before my right hon. friend concludes his address, may I present my question regarding a stated case? How is he going to prepare a stated case in which the facts are at issue and which involve questions of doctrine and origin? Stated cases are prepared when the questions at issue are readily agreed upon.

Mr. MACKENZIE KING: I am informed on what I believe to be as good legal advice as one can obtain that it is possible to form and submit a stated case in this matter.

Mr. LADNER: Who would do it?

Mr. MACKENZIE KING: Under the amendment which has been moved by the

member for Skeena, the burden of having the case prepared would rest upon the Department of Justice, and I should be prepared to advocate that the government bear the total expense of having this particular matter settled in that way. What I am aiming at in the point of view I am suggesting to the committee is to find some way of quickly and effectively resolving any doubt. Having resolved the doubt one way or the other, union can then be made possible in a legal way and in a manner which will leave no room for criticism or heart burning after union has been effected.

Mr. MACLEAN (South York): Would that decision require subsequent legislation?

Mr. MACKENZIE KING: If the decision is in favour of the unionists, the legislation which we are passing now settles everything. If it goes the other way, then what will be necessary will be for the duly constituted authorities of the Presbyterian church who feel they are being hampered in the matter of union through some disability that has been discovered, to come to parliament and ask that the disability be removed. Unless the disability prove of a character which parliament should not remove parliament may be expected to act favourably upon such a request and when parliament has removed the disability then they will come into the union, and the new church is formed in a regular and unimpeachable way.

Mr. HOEY: The Prime Minister has alluded to the necessity of referring a stated case to the Supreme court. There might be some doubt, he said, with respect to the right of the Presbyterian church to change its doctrine and consummate union. Does he want us to take him seriously when he contends that the people of Canada would accept the judgment of a civil court in matters respecting doctrine?

Mr. MACKENZIE KING: If the proposed reference to the Supreme court does not appeal to my hon. friend's judgment, I have already said that I should be glad to have suggested any other commission, any other tribunal, a commission of any character to be agreed upon, to which this question of doubt might be referred and settled. Let that body whatever it may be by deciding the nature of the disability give a decision which will guide parliament. Surely if we want to find a way out that will help to reconcile differences it can be found in that way

Next to the sacred associations of home, the most sacred associations in the lives of men —to some perhaps more sacred even than those of home itself—are the associations of the Christian church. This parliament cannot afford to be indifferent to the feelings entertained by hundreds of thousands of men and women throughout this country with respect to the attitude of parliament toward their church. At all times parliament has to be prepared to recognize great bodies of opinion. What about the group of hon. gentlemen opposite, led by the hon. member who introduced this bill (Mr. Forke)? They represent a great interest in this country, and we hear them continually speaking of the need of the nation, whilst legislating for others, to consider their special interests. What about my friends at the far end of the chamber opposite? They speak about the interests of labor, another class, another group. All through our national life we recognize that whether or not we see eye to eye with the different groups that go to make up this great nation, we are nevertheless bound to respect the feelings and the beliefs and the convictions of the great bodies who constitute minorities. In the Presbyterian church there is from one end of Canada to the other, a great body of earnest and God-fearing men and women who feel very deeply in this matter. They may be a majority, they may be a minority. If we can help, as I have said, to remove from their minds the feeling that their church is being torn asunder and substitute for it a feeling that whatever division is now inevitable is being made in accordance with what is reasonable and right and in accordance with the best traditions of parliament, then we will be rendering a great service not only to the parties interested in the consummation of this important union, but also to our country as a whole.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The nature of the question under review to-night is such as has never in my time been before parliament. The Prime Minister (Mr. Mackenzie King) is only expressing appreciation of the real position when he says that there are wide differences of view, sunderings of sentiment, and that on both sides of a great controversy are ranged some of the very best people of our country. Of course we all respect the views of those who differ from us, and we must carry that respect to even greater lengths and depths in relation to a question such as now agitates us all. I regret exceedingly that any words have been uttered

impugning the high motives or the personal conduct of any connected with either side of the controversy. For myself I am in disagreement with very many of the best friends I have. My inclinations lead me naturally to cling to the church with which my family for many generations has been associated. Personal ties bind me closely to those, both in this House and throughout the country, who seek earnestly, even passionately, to maintain in its present status the church of our fathers. But I must say very frankly that after the closest thought I have been able to give to the subject I find the line of reason leading me the other way. I feel bound to state, at once, so that there may be no misapprehension, that in my judgment the duty of parliament is to pass this bill and that parliament cannot usefully evade that duty by any amendment either such as is suggested by the hon. member for Skeena (Mr. Stork), supported by the Prime Minister, or that sponsored by the hon. member for Lunenberg (Mr. Duff), and now embodied in the bill.

This is one of those questions which require the most careful reasoning; where confusion of thought is not only possible, but almost inevitable; where men are easily driven from the straight path of logic by sentiments which are powerful and by passions which are deep. I do not claim to be in the least exempt from these influences myself; I only endeavour to dispel them to the best of my power and to get at what I feel we ought to do by as simple and careful a route as I can find. In what I say to-night I am not expressing my views with any idea of changing those of others; indeed, so firm have convictions been rooted that I could not hope to do so. The most I aspire to accomplish is briefly and simply to lay down the considerations which guide me, in the hope that in the future, when the result of our action now shall be reaped in all its fruits, these reasons may be looked back upon as adequate and appropriate.

We have a bill before us the purpose of which is, as I express it, to confirm the union of three great denominations of religion—the Presbyterian church, the Methodist church and the Congregational church. I find myself in agreement with the argument presented to-night in very clear and forcible form by the Minister of Railways and Canals (Mr. Graham). I do not think he fully explored the question, but to the extent that he did I find myself unable to diverge from his line of thought. These three churches come to parliament, having expressed their will through those tribunals which alone are empowered to express their will. Not only have they expressed it to us, but they have taken action upon it themselves. To the utmost of their power they have formed a union—indeed they have consummated the union—but, as all agree, legislation is necessary because of the civil rights involved, because of properties over which in some cases the legislatures and in other cases the federal parliament have jurisdiction, and because of the necessity of bringing those properties and the corporations which control them into conformity with a new relation created by the union.

Those appealing for the legislation say: "The question of union or non-union is ours, it is not yours. It is a matter for the exercise of our rights within our spheres. All we call upon parliament to do is to consummate our action because of the necessity involved in the existence of these properties, and as well, because of the desirability of putting into corporate form the union so effected." The Minister of Railways argues that these bodies have expressed their will through their definitely constituted authorities, their courts. No one disputes that to the extent to which those courts could accomplish their end they have acted in proper form. That is to say, if we admit that they had power to do what they have done they have gone about it through the proper route; they have taken all the precautions; they have paid heed to all the safeguards, and expressed the will of their churches as best they could. They come to parliament then and claim that we have no right to deny them the consummation of the union which they themselves have effected.

It is contended on the other side that one of those churches, namely, the Presbyterian, has exceeded its powers in taking those steps essential to the union. It is curious enough to reflect that no such contention is levelled as respects either of the other denominations—the Methodist or the Congregational—and the reason given is because there is no dispute, no great division of opinion in those two denominations. But does that reason really dispose of the question? If the power to unite did not exist in the one I, as yet, have never found any reason to conclude that it did exist in any of them. I have not found in what investigation I have made any possible disability affecting the Presbyterian church, which did not equally affect the Methodist and the Congregational church. If it appertained to one, it appertained to the others and merely because it has not been drawn

attention to by the supporters of those others would not prove that parliament should be troubled about the matter in the one case and utterly ignore it in the case of the rest.

In this discussion the general expression has been that this church—the Presbyterian church—has not had the power to take those steps necessary for union. I do not know whether those using this expression intend always to say that the General Assembly of the church did not have the power delegated from the church itself to take those steps. Usually those who argue on the question of power contend that the assembly never received from the church itself—I suppose the people of the church—the power to take the action which it did take. There is some difference between that and arguing that the people could not give to the assembly the power to take the action. Personally I am of the view that not only had the church the inherent power but that the church had delegated such power to the assembly. But as I proceed to discuss very briefly this point and buttress my opinion I ask hon. gentlemen to remember that I do not rest my support of the bill on the foundation of this opinion. Others may have just as good and as strong a feeling the other way. I will contend later that it does not matter which is correct, the bill ought to pass, but I do take the view that the church inherently has the power and, as well, that it has expressed the authority and created the court by which the power may be exercised.

What after all is this power of union? Does it consist in anything more or less than the power to change doctrine? I ask most earnestly hon. gentlemen to reflect on that sentence. Does the power to unite really embrace anything more than the power to alter doctrine, to modify doctrine? If the power to modify doctrine is conceded what is there between that and the power to unite with any other church holding the doctrine so modified? I say, once the church is conceded power to modify doctrine we have ended the discussion as far as the power of union is concerned.

Mr. MacLAREN: May it not be that one can change a doctrine to a limited extent, not being a fundamental or a radical change? No one questions the right to make minor changes, but I ask the right hon. leader if he asserts that it is possible for every General Assembly to change fundamentally while there is a basis of doctrine that is accepted by the church?

Mr. MEIGHEN: What is in the mind of the hon. gentleman is not a question of the power of the church itself to change fundamentally but whether there is a power in the assembly to change fundamentally. I will discuss that, and while I know I cannot convince my hon. friend, whose views I respect profoundly, I will explain why I am convinced myself. I think the power to change is inherent in the church and that the assembly has the power delegated to it to express the will of the church in this regard, and that there is no limitation, as respects at least the subordinate standards of the church. I entirely dissent from the theory that there exists in the parliament of Canada, or in any court in this country, the right to say what is fundamental in doctrine and what is not. What in parliament would appear to one secular mind fundamental, would appear trifling to another. In a court of law it would be just the same. Those prerogatives are the prerogatives of the church. The church must have power to determine how and to what extent it exercises those prerogatives, a power unrestrained by any authority whether of parliament or of civil court.

The reason I contend that the power must be inherent is, first that it is impossible to suppress or direct the conduct of any church, in this respect. I put it in this way: if a church exercises the right, who is to say it nay? If a church exercises it through the tribunal it creates to exercise it, who can say to such tribunal, nay? Who can dispute its power? It is said that in England the courts did so in 1904. The courts did not decide in England in 1904 that the church did not have the power. They decided that the church had not delegated to the assembly the power; because looking into the practices, records and precedents of the church, they found no case of its exercise, and no expression of its will such as would have empowered the assembly. I am not going to argue whether, even on the ground stated by those judges, their decision was right or wrong. I have my opinion, but it is not pertinent whether they were right or wrong. The basis upon which the Lords of the Privy Council decided that there was not in the Assembly of the Free Church of Scotland the right to change its doctrine, is wholly absent in the case of the Presbyterian church in Canada. With all humility I express that opinion—because both textually and by precedent there has been evidence of the existence and of the exercise of such power throughout the history of the Canadian church. It is true that such exercise has been in cases where it could not very well be said—at least where I would not say—that there was any very fundamental or radical change. But I

do not think this fact argues anything. I do not think indeed there is ever likely to be any very fundamental or radical change. The whole tradition, the constraint of tradition and the safeguards which tradition imposes, always protect a church against hasty or violent change. But if it wishes to alter doctrine through the authority it creates for that purpose, ther there is no other authority to say it nay Consequently the church must have the power. The case decided in England in 1904 was decided on the conclusion of the judges, one and all, that, looking back at its practice and looking at the constitutional records of the Free Church, there was nothing to indicate that that church ever intended the General Assembly to exercise such a power. Looking into our practice and constitutional records in Canada, there is indication in both that such intention has existed.

Referring to what is called the Blue Book, which is accepted certainly by the assembly, and I think we can say by the church, as constituting its code, sections 112 and 120, cannot be read in such a way as not to express both the inherent right of the church and the delegation of that right to the assembly, to restate or to alter doctrine. Section 112 contains the procedure for restating doctrine; but in the case of change section 120 applies, and provides an added safeguard ensuring tha: there cannot be, by the mere uncontrolled act of the assembly, a change of doctrine. There must be a reference back to the presbyteries, a series of bodies standing between the people and the assembly, and a confirmation of the change by a majority of these presbyteries, in order that it be effective. This safeguard is known as the Barrier Act. However, it does not really come into this argument. The point is that granted compliance with this Barrier Act whatever its terms, the authority to change exists.

Again I am confronted with the question, which I know is in the minds of many, was all this intended to apply to fundamental changes? I do not know where to draw the line, nor do I feel that we have any business to draw the line. It seems to me it is for the church to say what change is to be made great or small, and I feel that if parliament adopts any other principle we are launched upon a sea where the storms will be heavier and the dangers greater than those which surround us now.

I stated some moments ago that even were it true that the General Assembly in Canada was not so authorized—that is to say, even if it were arguable that our church, or rather the Presbyterian Assembly, does not, as it exists today, enjoy this power such a thing would mean only that the courts of Canada would decide as to the Presbyterian church, as the Lords of England decided as to the Free church. In this event it still seems to me it would be our duty to pass the bill. Why so? Let us look back over the history of the Free church case. As soon as it had been decided, a condition arose where the intervention of parliament became necessary. The condition was this: First that the church stripped of its membership to a very considerable degree, was deemed by parliament incapable of administering the trusts committed to it—I mean the trusts mainly of a property character—and the trustee being so incapable, the church having been forsaken by its members, save to the extent of a remnant, parliament was compelled to step in and take those trusts in large degree from that church, and repose them in another institution. Parliament as well by the same act of 1905 went on to declare that certain rights in relation to the alteration of doctrine were hereafter to be considered as existing in the Church of Scotland.

I do not need to dwell on this act longer, but I come to the act of 1921. This was an act passed by the Imperial House, which recited certain declaratory articles of faith of the Church of Scotland, declaratory articles which themselves affirmed the right of that church through its assembly to alter doctrine, and the parliament of Britain placed upon those articles the seal of legislation. The significance of this conduct of the British parliament is very great. It is very great when we remember the decision of the Lords in 1904. It shows that the parliament of England came to the conclusion that if, by reason of such judgment, there was imposed a restraint upon the power of the church through its assembly to alter its creed, such restraint should be removed; that it was not fit or right that the parliament of Britain should be in any position whereby it could superintend or censor alterations of doctrine made by the church itself.

Now let me at this point ask: Are we to go through any process, whether on the lines suggested by the hon. member for Lunenburg (Mr. Duff) or on the lines now suggested by the Prime Minister, and as a result of one legal process or the other come after some length of time, to the conclusion, or rather have handed to us the conclusion of a court of law, that the Presbyterian Church of Canada through its assembly cannot alter doc-

trine, as was the result in the case of the Free Church of Scotland? If so what then would be the attitude of parliament as respects the situation created? The Prime Minister says, "Well we could meet the situation whatever it might be." I have to say immediately, our attitude necessarily towards any church in Canada in such circumstances would be the attitude which the British parliament took towards the Free Church of Scotland. If I have been entirely wrong in my contention as to what exists to-day and if the courts were to hold that the inherent right of change does not exist, could this parliament for a minute refuse an application from the Presbyterian church to be given that amplitude of power which became vested in 1921 in the Free Church of Scotland? I submit we could not. The Prime Minister brings in a condition that if a majority of the members of the church would come to us and ask for it, we would do it.

Mr. MACKENZIE KING: I did not say a majority. I said if the constituted authorities of the church came and asked for it.

Mr. MEIGHEN: I am really very anxious not to get into a controversy with the Prime Minister over this.

Mr. MACKENZIE KING: Will my right hon. friend take my word for it at the moment, that that is what I meant?

Mr. MEIGHEN: Certainly. I notice he said the majority—

Mr. MACKENZIE KING: Keep up the controversy.

Mr. MEIGHEN: I am most anxious to avoid a controversy only I noted it and I thought it was wrong. When the Prime Minister says "the authorities", I agree with him. If the recognized authorities of the church come and ask for it, we would do it. Very well, the recognized authorities of the Presbyterian church are now right at the doors of this parliament asking that we do this very thing. So I say, why throw the church into litigation even though we pay the costs of the litigation? Why prolong this controversy if it is bound to end after years of turmoil where it will end if we pass this legislation now? Why prolong the whole thing through tedious months or years, whether it be done by the litigation proposed by the hon. member for Skeena (Mr. Stork) or that proposed by the hon. member for Lunenburg (Mr. Duff)?

Let me, before I pass the subject, impress upon the committee, if I can, again, the absolute necessity of our presuming from the beginning that we must concede to the church, whether it exists to-day or whether it does not, the full and unrestrained right to alter its creed. How are we to take a position which says to a church: Bound as you are by a regimen of doctrine, you must remain there no matter what your own courts may feel to be right in the light of advancing years. Though you, through your constituted courts, decide that you desire to modify this or modify that, you cannot do so. If you so alter, you are violating trusts, you are diverting to the teaching of other doctrines moneys or property committed to you for the propagation of the doctrine of your fathers. I am referring now particularly to the argument of the hon. member for St. Lawrence-St. George (Mr. Marler). Can we possibly assume for a day that sort of censorship over any church? Can we say to a church: Though your majority desire a modification of doctrine, you cannot make such modification because it is diverting trust funds which you possess? If we say such thing we merely condemn that church to drift lifelessly on the reefs of time while its children abandon its altar and its creed. A majority goes first and then a majority of the remnant goes, until finally the church is left a shell. In this unhappy predicament we a parliament would be compelled, as was the parliament of Great Britain in the case of the Free Church, to invade the empty temple, disrobe the stranded church of its trusts and allocate them somewhere else. This course is the only alternative to conceding to every denomination its full right to alter doctrine and to have its trusts follow the destiny of the church itself. Between these two courses will hon. gentlemen reflect which they would prefer to pursue—to hold the church within a strict regimen, the rigid restraints of any statement of doctrine which it had years before accepted and say that we must do such a thing because of trusts which that church has had under its care; or to hold that the church itself shall be the author and master of its creed and that its trusts will follow the destiny of the church? It is the latter course which I choose myself and that course I commend earnestly to parliament to-night.

I come now to the two amendments. I would prefer to oppose this bill direct rather than to vote for either of the amendments suggested. I think it would be a more sensible treatment of those who come before this House. The amendment which is now part of the bill and which was inserted on motion of the hon. member for Lunenburg

provides that, in respect of certain litigation now launched in Ontario, any legislation which we pass shall not take effect until, as a consequence of this litigation, the courts finally declare that the assembly had power to enter into union upon the Basis of Union and the Appendix on Law. I take exception for this reason, that even if the defendants succeed, succeed right to the last court of appeal, there is no reason to be certain at all that there will be any judgment of the court on that question, yes or no. I call attention to the fact that this action is an action not between the General Assembly and the plaintiffs. The plaintiffs are not suing the General Assembly. They are suing a committee of the General Assembly, and the committee takes the ground in its defence that the pleading is not properly based, and does not constitute a cause of action at all. If the committee win on this ground, then of course there is no decision of the court as to what were the assembly's powers. In this event we would have the church committee winning against the plaintiffs and still no possibility of the legislation going into effect. The committee might win its case on almost any other ground but inasmuch as the assembly is not a party to the action at all, it is very doubtful if the courts would give any judgment as to what the powers of the assembly were.

Moreover, I think that these plaintiffs should have moved sooner and not waited until the eve of the opening of parliament. I think they were in a position to launch their action two years ago. It is true that they could give certain reasons for not doing so, for example, that they did not know the exact terms of this bill. But they knew all those things to which chiefly they take objection in the litigation. They knew that the church was negotiating for union on the Basis of Union and the Appendix on Law. Against this they direct their fundamental objection. They could have launched their litigation at that time, and their litigation then would have been on just as strong a footing as it can possibly be on to-day. Next, when they did commence about the middle of January, 1924, they asked for an injunction to restrain further proceedings towards securing the legislation. But we are now nearly four months in this session and there has been no application, no motion for an interlocutory injunction although such a step would have been the only way to take practical action to get the restraint. Application for interlocutory injunction was open to them, but they let the time go by and were content to hold the sword of

litigation over this parliament. There is the further fact that the plaintiffs could absolutely defeat this law by simply dropping the action. For these reasons, I do not think we should be asked to abide the event of this lawsuit.

But again I emphasize: Above and beyond these arguments there stands the great dominating truth that no matter what the result of litigation, unless we are prepared to allow a condition to remain where a church is denied the right to change its doctrine, for that right alone is involved in the question of union, we would be certain to find ourselves back in just the position we are in to-day where we would be asked and bound to decide in the affirmative what we are asked to decide in the affirmative in this bill. I therefore look upon the amendment now under review as an evasion.

The Prime Minister has another motion pending on the order paper to the effect that this bill shall take effect only to the extent of the powers of parliament. Well, whether such motion passes or not I really do not care, because the result is exactly the same in either event; no bill takes effect beyond the powers of parliament. Parliament cannot do any more than it can do; so why inject mere surplusage into the body of this legislation?

Now, I want to discuss briefly the amendment suggested to-day,—though it is not technically before the House.—by the hon. member for Skeena (Mr. Stork), an amendment to which the Prime Minister to-night gave his unqualified endorsement. I think this amendment is even more objectionable than the one embodied in the bill; and I am at this advantage in discussing it, that its fatal features have been recognized already in the questions put by the hon. member for Vancouver South (Mr. Ladner) and by the hon. member for Brandon (Mr. Forke). Let me read this amendment so that there be no question in the mind of any hon. member as to its words. The motion is that there be added to the amendment of the hon. member for Lisgar (Mr. Brown) these words:

> Provided that as respects the Presbyterian Church in Canada, the provisions of this act shall apply only when all doubt has been removed as to the power of the General Assembly of the Presbyterian Church in Canada, under its constitution and rules, to agree to a union of the Presbyterian Church in Canada with the Methodist and Congregational churches upon the basis of union as set out in schedule A of this act; provided, further, that this question shall be submitted for decision to the Supreme Court of Canada by a reference by the Minister of Justice.

My objections to this amendment are these: If the "stated case," as this is described by the Prime Minister, is made and the courts

hold that there is no jurisdiction, what results? We have then a union effected by this parliament of the Methodist and Congregational churches, alone, a union which neither of them made at all and which neither of them wants, a union forced upon them against the expressed will of the recognized authorities of both churches. Does anyone dispute that this will be the outcome? Undoubtedly it will. Parliament has no right to do such a thing; and I venture to say that no hon. member comprehending the full meaning of this amendment will be likely to give it support. I come also to the objection suggested by the hon. member for Vancouver South. I do not know who has advised the Prime Minister, and I do not want to pose as a great constitutional lawyer; but I say that this clearly is not a matter for a "stated case." There would be no difficulty in framing a "question" for the Supreme Court of Canada. This question could be put: "Had the General Assembly of the Presbyterian Church power to negotiate for or to effect a union upon the terms of the Basis of Union and the Appendix on Law? The framing of this question would be simple and thus it could be put to the Supreme court. But that is not a stated case; a stated case involves the setting out of admitted facts. You cannot set out such facts because they are not admitted. On the other hand if you put the bald question—not a stated case at all, which is really intended by this amendment and what the Prime Minister himself has in mind—if you just put the bald question to the court, what is the court going to do about it? The court then has to get down and ascertain what are the facts upon which its judgment is to be based. These are in dispute, and there at once you have a law-suit. This subject I repeat is not appropriate for a stated case at all. One side will affirm, "Here is the Blue Book; this is the recognized authority, the discipline and law of the Presbyterian church. Read what it says." The other side will say, "No, this Blue Book does not represent the law and the prophets of the Presbyterian church." Which side is right? The resultant is really a law-suit; it is not a stated case for the decision of the Supreme court. No matter how you go about to settle this matter in the courts, it is a law-suit, where the facts are in controversy and where you have two sides arranged in battle array against each other. Throughout all this controversy you will have two opposite contentions; you travel far over a long and stony road; you start in the Supreme court and you land at length in the Privy Council before the law lords there.

Mr. MACKENZIE KING: Where does my right hon. friend get that opinion?

Mr. MEIGHEN: I so interpret the suggested amendment, although the Prime Minister may interpret it differently:

> Provided that as respects the Presbyterian Church in Canada, the provisions of this act shall apply only when all doubt has been removed as to the power of the General Assembly of the Presbyterian Church in Canada.

You do not remove "all doubt" on such a point until you have persevered to the last court. This is my interpretation of these words. The Prime Minister may have intended to stop at the Supreme Court of Canada but I do not think such is the legal effect of the amendment offered by the hon. member for Skeena.

Mr. MACKENZIE KING: I would wish to have it so worded at any rate.

Mr. MEIGHEN: Even so, it would only mean that the path to be traversed would be a little shorter. It would be dangerous and expensive and finally inconclusive. For as a final word let me say that the end of the road in any event is exactly the end of the road indicated by the hon. member for Lunenburg. We land at the end of the one exactly where we do if we take the other course. If therefore as the final episode of either the one journey or the other the court finds that the power of the General Assembly does not exist; does any one fancy that the church will not return to parliament for that power? Does any one fancy that any church will be content to live under such a conscious disability? Will any church recognize the smallest assertion of authority in parliament as respects its own doctrine? No. Therefore why delay?—I had almost said why evade, but I wish to avoid every term that savours of offence. Why not rather face the real situation and end this matter now? Why not do now what undoubtedly in any event we will later on have to do, even according to the words of the Prime Minister himself, after months or years of confusion and estrangement, after all this litigation has been suffered and all this agony endured? I ask hon. members to consider the reasons I have advanced and to give them such weight as they feel to be their merit.

Mr. STORK: Yesterday, Mr. Chairman, I moved an amendment which you declared to be out of order but which you stated would

be in order "to-morrow". As this is to-morrow, if I may put it that way, I move that the amendment be now considered.

The CHAIRMAN: With regard to the point of order raised by the hon. member for Skeena (Mr. Stork), I did say that the amendment which he submitted earlier in the day would be in order "to-morrow." "To-morrow" has not yet arrived, however, inasmuch as the present day lasts until the sitting is concluded, I regret therefore that I must rule the amendment still out of order.

Amendment (Mr. Brown) agreed to. Yeas, 110; Nays, 58.

Section 2 as amended agreed to.

Mr. ARTHURS: Mr. Chairman, the hour is very late and I would suggest that the committee rise and report progress.

Progress reported.

Mr. MACKENZIE KING moved:

That private bills be the first order of the day at the next sitting of the House.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 1 a.m. (Friday).

Friday, June 27, 1924

The House met at three o'clock.

REPORT

Fourth Report of the Joint Committee of both Houses on the Printing of Parliament.—Mr. Gauvreau.

WITHHOLDING ASSENT TO PROVINCIAL LEGISLATION

Hon. ERNEST LAPOINTE (Minister of Justice): I desire to lay on the Table of the House copy of the bill passed by the Legislature of Prince Edward Island, referred to a few days ago by the hon. member for Prince (Mr. MacLean); the letter of the Lieutenant-Governor stating that he is compelled to withhold his assent to the bill; and copy of order in council passed on the 5th of May, 1924, with regard to the matter.

HOME BANK DEPOSITORS

Mr. J. H. HARRIS (East York): I desire to lay on the Table of the House a petition signed by 132 Home Bank depositors praying for indemnification.

[Mr. Stork.]

PRIVATE BILLS

FIRST READINGS

Bill No. 210 (from the Senate), for the relief of Elizabeth Atkinson.—Mr. Duff.

Bill No. 211 (from the Senate), for the relief of Gerald Arthur Johnson.—Mr. Chew.

HON. MR. MURDOCK AND HOME BANK

PRIVILEGE—RESIGNATION OF MR. E. GUSS PORTER

On the Orders of the Day:

Mr. E. GUSS PORTER (West Hastings): Mr. Speaker, before proceeding with the Orders of the Day I have a communication which I desire to present to you and to the House, as a matter of privilege. It is as follows:

Ottawa, June 27, 1924.

To His Honour,
The Speaker of the House of Commons,
Ottawa.

Honourable Sir,—

On the 22nd day of May last I took upon myself from my seat in this House, as member representing the constituency of the west riding of Hastings, the responsibility to charge the Honourable James Murdock, a minister of the present government, in the terms following:

"That he did withdraw from the Home Bank at its Ottawa Branch on the 15th day of August, 1923, two days before such bank's failure, thousands of dollars on deposit therein to his credit, using certain information he had received as such minister of the likely immediate failure of said bank, and had received advantage and profit to himself to the extent of such withdrawals contrary to his obligation as such minister in derogation of his office and the honour, dignity and traditions of parliament."

Having made such charge I was granted an inquiry before the standing committee of this House on Privileges and Elections, and produced on such inquiry evidence under oath which I believe fully proved the said charge to be true. Certain members of such committee, being general supporters of the government and being a majority of such committee, having failed to regard or give effect to such evidence, reported to this House a finding by them that the said charge so made by me was not only not proved but was entirely disproved, and a majority of this House, being general supporters of the government, voted on the 25th day of June approval of the said report and adopted the same contrary to the evidence and the weight of evidence. Believing, as I do, that in the opinion of the people of Canada a higher standard of honour and of fidelity to duty, and of the dignity and traditions of parliament is required from cabinet ministers than has been thus sanctioned and approved, it becomes my duty by the only means in my power to appeal to the people, the highest tribunal of this country. I shall therefore place myself without delay in the judgment of the electors of my constituency, the west riding of Hastings, and ask them to pronounce upon my conduct, upon the one hand, and the conduct of the Minister of Labour and the government and its supporters, on the other. I respectfully invite any member of the administration, or any member supporting the administration in this matter, to submit himself to the electors of such riding in opposition

to me, and I make a special request that in view of the clear, definite and immediate purpose for which I take this action, the government will do me the justice of having the writ for such election issued forthwith.

Therefore, Honourable Sir, by reason of the facts above set forth, I hereby submit my resignation as member for the electoral district of the west riding of Hastings in the House of Commons of Canada.

Faithfully yours,
E. GUSS PORTER, M.P.

Witness:
H. A. Stewart.
S. Charters.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Mr. H. C. HOCKEN (West Toronto): Has the Acting Postmaster General any information to give to the House regarding the settlement of the postal strike, with particular reference to Toronto?

Hon. CHARLES A. STEWART (Argenteuil, Acting Postmaster General): I have no new evidence to submit except to say that to-day we have in the neighbourhood of sixty carriers delivering mail in that city. Of course, I do not want the impression to go abroad that we are anything like covering the city, because ordinarily 450 are engaged in delivering mail. Two of the postal stations are being manned to-day and delivery other than by carrier is improving all the time. A personal letter mailed in the afternoon of the 25th instant was delivered to my family this morning. True, it ought to have been received yesterday, but the report the postmaster gives me is that the matter is improving every minute and in a very short time complete mail delivery, not complete carrier delivery, will be re-established.

As regards the men, I have a communication that would indicate that the only grounds upon which they will return are for all of them to be completely re-established.

Mr. W. F. MACLEAN (South York): How much mail has accumulated in the Toronto post office?

Mr. STEWART (Argenteuil): There is very little mail accumulation in the post office at Toronto at the moment.

Mr. WILLIAM IRVINE (East Calgary): Would the acting Postmaster General care to state to the House just how many strike breakers, if I may call them such,—or perhaps I had better put it this way, how many men are employed now in the post office at Toronto and how many men were employed prior to the strike? My purpose is to get the situation there. I do not know whether a strike is on or not.

Mr. STEWART (Argenteuil): I cannot give my hon. friend a definite statement as to the numbers of employees that are working, but there are somewhere in the neighbourhood of 1,000 at the moment. Ordinarily about 1,400 are employed in Toronto. Indeed, it is such an important mail centre that the number sometimes runs up to 1,600.

MARITIME PROVINCES—EXPORT TRADE

On the Orders of the Day:

Mr. L. H. MARTELL (Hants): Does the Minister of Trade and Commerce contemplate sending a person from his department to the Maritime provinces to investigate conditions concerning export trade? I understand such an investigation is going on and I am informed that the delegate was going to a number of places in Nova Scotia, but that the important county of Hants, with its great gypsum quarries, fruit growing and all that sort of thing was being absolutely ignored. I want to give my hon. friend fair warning that if he undertakes to ignore the constituency of Hants, he will receive a good many kicks from the member.

Hon. T. A. LOW (Minister of Trade and Commerce): It is the policy of the department to send junior trade commissioners to different parts of Canada so that they may acquire a knowledge of the goods they have for export to such countries as the trade commissioners are likely to go to. If one has not been sent to Hants, I shall be glad to look into the matter, because we do not want to overlook any important part of this country.

BUSINESS OF THE HOUSE

DOMINION DAY SITTING

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might mention to the House that it is the intention of the government that we should sit on Tuesday the 1st July. I know a number of members have asked the question.

UNITED CHURCH OF CANADA

The House resumed from June 26 consideration in committee on Bill No. 47, to incorporate the United Church of Canada—Mr. Forke—Mr. Gordon in the chair.

On section 3—Definitions.

Mr. McGIVERIN: Counsel for the promoters of this bill, in fact counsel on both sides, have drawn my attention to a number

of clerical errors that have appeared from the changing of the numbers in the bill. I move that the word "section" in line 25 on page 2 of the bill be amended to read "act."

Amendment agreed to.

Section as amended agreed to.

On section 4, subsection (b)—Corporations and local union congregations.

Mr. McGIVERIN: I move that the subsection be amended by substituting the word "three" for the word "two" in lines 20 and 22.

Amendment agreed to.

Section as amended agreed to.

On section 6—Property of congregations.

Mr. McGIVERIN: I move to amend the section by striking out the word "seven" in the first line and substituting the word "eight."

Amendment agreed to.

Section as amended agreed to.

On section 8—Special property of certain congregations.

Mr. McGIVERIN: I move to amend the section by substituting in lines 8 and 9, in place of the words "four" and "five", the words "five" and "six".

Amendment agreed to.

Section as amended agreed to.

On section 9—Existing trustees continued.

Mr. McGIVERIN: I move to amend the section by substituting in line 15 the word "six" for the word "five".

Amendment agreed to.

Section as amended agreed to.

On section 10—Property of non-concurring congregations.

Mr. DUFF: This section provides that the vote shall be taken by call of a meeting of the congregation. During the discussion in the Private Bills committee some of us thought that this was not the best method of taking the vote; we considered it would be far better to have it taken by ballot. If the meeting were held on a stormy night a great many people might be unable to attend. There might be others too who would be unable to be present at the meeting owing to sickness or for any other valid reason; and some again might be out of town. I would suggest to the hon. member (Mr. Forke) who introduced the bill that he accept an amendment to have the vote taken by ballot instead of at a regular meeting of congregation. I therefore move to amend the section by adding:

Provided always that if any congregation in connection or communion with any of the negotiating churches shall, upon a vote of such congregation to be taken by ballot in accordance with the regulations set out in schedule "D" to this act, decide by a majority of the votes cast not to enter the United church, then and in such case the property real and personal belonging to or held in trust for or to the use of such congregation shall remain unaffected by this act, and provided that any church formed by the non-concurring congregations shall stand in the place of the respective negotiating church in respect of any trusts relating to such property. Any vote of any such congregation taken in accordance with the provisions of any act of any province of Canada respecting the United church passed before the passing of this act shall be deemed to be a valid vote for the purposes of this section.

In the two previous votes taken in 1911 and 1915 in the Presbyterian church the ballot was used; ballots were distributed either by session or otherwise to every member in the congregation whether they were able to attend church or not, or even if they were out of town at the time the vote was taken. This ballot was regularly signed and witnessed by someone and was returned either to the clerk of session or to some other authorized person. I think this is a reasonable suggestion and I hope the member for Brandon (Mr. Forke) and the rest of the committee will accept it.

Mr. MILLAR: How does the hon. member propose to apply this to those persons whose names are still on the church register as members but who have moved a distance away?

Mr. DUFF: If I remember rightly the bill provides that members who are in full communion at the time of the passing of the act shall be deemed competent to vote for the purposes of the act. Take the hon. gentleman's own case for example, or mine; this vote might be taken while we were in Ottawa. I do not think it would be fair to require either the hon. gentleman or myself to go back home to attend a meeting in order to vote either to remain in the church or to leave it. I think he will immediately see with me that the suggestion I make is only reasonable; I think the right method is to have ballots distributed to the congregation and returned.

Mr. MILLAR: I was thinking more of those who have changed their places of residence permanently.

Mr. DUFF: I believe it is provided in the bill that any one who has changed his

residence may still vote. Probably the hon. member did not intend to suggest it, but there seems to me to be a flaw in the bill in that respect. If any one has moved from his home town and taken up residence permanently in some other place it is not fair that he should be able to vote with the congregation in the church from which he has removed. That, however, appears to be in the bill and perhaps we shall have to take it unless we are prepared to amend the present provision. The amendment I propose would meet the difficulty of railwaymen or fishermen who might happen to be out of town on the night the meeting was being held. Then, take the case of parents with young children, either the mother or the father would have to stay home, and this would create a great hardship on many people interested in their church. It seems to me, in view of the fact that the two previous votes were taken by ballot, that this vote should be taken in the same manner.

Mr. McBRIDE: I would suggest that this amendment is out of order; we have had no notice of it.

The CHAIRMAN: That question arose in my mind a few minutes ago, but rule 112 applies only to "important" amendments, amendments which are very material to the principle involved, such as were submitted yesterday. But this amendment, it strikes me, is of minor importance. The manner of taking a vote does not affect the principle of the bill at all, and therefore I do not think that this is an important amendment within the meaning of the rule. The amendment before the committee deals purely with the question of procedure.

Mr. DUFF: Of course, if the hon. member objects I will ask you, Mr. Chairman, to let the section stand, but I would rather see the bill go through quickly.

The CHAIRMAN: I rule that this amendment does not require notice.

Mr. HODGINS: Who are to have the privilege of voting—members of the congregation or members of the church?

Mr. FORKE: It is set out in clause (b). I do not think it is necessary to read it. It seems to me that to accept the amendment that has been proposed would open up a good deal of confusion in taking the vote. All parties concerned have the same chance to vote and I think anyone who is sufficiently interested will be at the meeting where the vote is taken. I cannot agree to this amendment, Mr. Chairman, and I would ask that the section be passed as it stands.

Mr. McGIVERIN: Mr. Chairman, this matter was very fully discussed from all angles in the Private Bills committee. The method of voting was not challenged. As chairman of that committee I strongly support the bill as it stands.

Mr. GUTHRIE: I think the request of the hon. member for Lunenburg (Mr. Duff) is a most reasonable one. I was not in attendance in the committee, but it would strike the ordinary man that the proper way to vote under circumstances of this kind would be by ballot. In almost every society and every incorporated company absentees are permitted to vote by proxy, and certainly the whole membership of the church should be entitled to cast a vote on such an important question as that involved. What injury is going to be done the promoters of the bill if this privilege is accorded? What difficulty is going to arise? The privilege will apply to both sides, those for and those against. It is the course adopted by the church authorities on two former occasions, why not follow it on this occasion? I think the hon. member for Brandon is taking rather an odd course in opposing what would appear to an ordinary member of this House to be a most reasonable proposal.

Mr. MOTHERWELL: May I point out that the votes taken in 1911 and 1915 were not decisive votes, but were intended to be merely a guide for the courts. This particular vote will be decisive.

Mr. CHAPLIN: Is not that all the more reason why everybody should have a chance to vote?

Mr. MOTHERWELL: Of course they will have a chance to vote. If we are going to have a real test of the wishes of the congregation, we must have something more systematic than the rather loose method of distributing ballots to the congregation to be signed at pleasure, I quite agree with the senior member for Ottawa (Mr. McGiverin) that the discussion in the Private Bills committee was quite full. The reason for leaving the section in its present form was that it comes nearest to what is the practice in the church now. In my experience I have never known any important question determined by ballot, it has always been by a vote of the members of the congregation present.

Mr. GUTHRIE: I am going to put a case to my hon. friend, and I think it is typical of what might happen in many other families. There are five votes in my family. If this meeting is called some time in the autumn or during the winter, four of these votes will in

all human possibility be scattered in various parts of Ontario. Is it incumbent upon me to pay the expense of bringing my family to the meeting to vote? I think the case has only to be stated to be refuted. Voting by ballot is the rule in universities, in churches, in joint stock banks, and the like. What objection is there to the proposal? If there is a valid objection we will consider it, but let us hear what the objection is.

Mr. GOULD: I am sure my worthy leader (Mr. Forke) knows as well as I do that in our western country where the villages and towns are small—and I call this to the attention of the Minister of Agriculture (Mr. Motherwell)—the majority of the congregations are composed of people living in the surrounding country. Just picture, in our western plains, a meeting being called and only 40 or 50 per cent of the people having an opportunity to attend it owing to a storm. That very serious handicap would be obviated by the method suggested by my hon. friend (Mr. Duff). If I have a complaint to make it is that the whole attitude in this matter is based altogether upon an urban point of view; I want the committee to be broad and to have some regard for the interests of the people in the country who would find it impossible to attend this meeting called at a specific time for a specific purpose.

Mr. ROBB: Having been a supporter of church union—indeed, in the congregation where I worship we have had church union in practice now for three or four years—it does seem to me that the proposal of the hon. member (Mr. Duff) is most reasonable. The hon. member for South Wellington (Mr. Guthrie) refers to his own family; there are cases in my family that I know of where the people are unable to attend church, although they are very strongly attached to their church. I venture to say that if the congregation wanted a contribution for missionary work or for the minister they would not hesitate to provide those people with an envelope to be sent in. There is no good reason why this amendment cannot be accepted; it will give people who are unable to attend church an opportunity of voting upon this question.

Mr. BROWN: I think there is very real objection to the proposal. We shall make a great mistake if we seek to reason from analogies drawn from the practices of other corporations, because they follow the practice prescribed in the rules and regulations under which they are constituted. In my judgment this House should not seek to impose upon the churches any method of taking a vote that is not prescribed by their own rules and procedure. The method adopted by all churches in arriving at a decision of such importance as this is just the method that is here indicated. Even if we did not indicate in this bill the method by which the vote should be taken, the vote would be taken in such a way as to achieve the best results. I do not think the House should undertake to say to any of the churches: You must take your vote thus and so. It is true we have put this provision in the bill, but that is simply adopting the method that is followed by all churches in coming to important decisions at regularly called church meetings.

The minister of Agriculture (Mr. Motherwell) has answered the objection that was raised, and I am sure the answer was given more than once in the committee when reference was made to former votes. It is true that votes were taken by the Presbyterian church.

Mr. GUTHRIE: Do they not always vote for elders in the Presbyterian church by ballot?

Mr. ROBB: Always.

Mr. DUFF: The hon. member (Mr. Brown) is not a Presbyterian; he does not know our rules.

Mr. BROWN: Apart altogether from that, there are very real objections. This is a matter upon which important issues depend, and I can see objections to distributing ballots loosely throughout the country. It is urged that it would be just as fair for one side as the other; well, the same may be said for the other method. In all elections taken for any purpose it is inevitable that some people lose their franchise. and in this case it seems to me that the vote should be taken in harmony with the procedure commonly observed. I know that elders are elected in the way that has been indicated, but is that true when it comes to the disposition of property? I rather think not. And, remember that great property interests are involved in this matter; large interests are at stake involving not only local congregations but the property of the church generally all over the Dominion. I think it is desirable that we should adopt the system set forth in this clause.

Mr. GUTHRIE: It would be a very bad thing to allow the impression to go abroad throughout Canada that there is a desire on the part of anybody in this parliament or out of it to limit in any way the vote of the people interested in this movement. In the circumstances related by the hon. member (Mr. Duff), a large proportion of the membership could not possibly attend the meeting. We

know from common experience in regard to voting at elections that in most cases the husband and wife cannot go together: the woman cannot be taken from the home where there are infant children unless some grown person can be left with them. We know that from every family there are absentees who cannot get a chance to vote. A large number of our population constitute a travelling population. These people are usually at home on the Lord's day, but may be miles away during the week when this meeting is called. Is there to be a deliberate attempt to deprive that large and interested population of a vote in regard to what is to them perhaps one of the most sacred things in life? When we ask for objections to my hon. friend's proposal, all we get is the suggestion that loose methods may be employed in regard to these ballots. Surely not, in the hands of church dignitaries. Surely we can trust somebody in the churches to see that everybody gets a fair, full and free vote. Why oppose it? What have we to fear from it? The object of everybody should be to get as large and influential a vote as possible on these questions. Do not try to hamper it; do not try to limit it. Get the inclusive idea into your head, not the exclusive idea. See that everybody who has a vote is given every facility to register that vote, and that no obstacle is placed in his way.

Mr. STEVENS: I am not going to differ from the excellent opinions expressed by my hon. friend, but so far as I can judge, this amendment, which is vital in its character, means something more than merely providing for a vote by ballot.

Mr. DUFF: I am not a lawyer, and of course I do not know as to that. This was one of the amendments submitted in the committee, and it is quite possible that it may go a little further than it should. But if the amendment does go further; if it interferes with anything else, I am quite willing to have that additional thing struck out. All I want is that the vote be taken by ballot instead of at a congregational meeting. I am not trying to put anything over on the committee at all.

Mr. STEVENS: I am not suggesting that. But the amendment does appear to me to go much further than simply to provide that the vote shall be by ballot. First the amendment says:

In accordance with regulations set out in schedule D of this act,—

Mr. DUFF: The schedule was attached to the amendment. If my hon. friend will permit me, I would like to read that schedule, because it would be part of the amendment.

The CHAIRMAN: A schedule cannot be put into this part of the bill.

Mr. DUFF: It can be put in somewhere.

Mr. STEVENS: I think the committee is very much confused. There is no such schedule in the bill. Schedule "C" is the last section we have in the bill as it is now before the committee.

Mr. DUFF: I might explain that I attached it when I sent it up, but it was sent back to me. I wanted to read it and explain that this vote is not going to be a loose vote as the Minister of Agriculture said it was going to be.

Mr. STEVENS: What I am coming to is this: In considering this amendment, with the proposed schedule attached thereto, we are considering a vital amendment to the bill. Whether it is good or bad, I am not going to express an opinion for the moment, but we are considering what is undoubtedly a vital amendment to the bill, and I think we ought to be very careful—not with the idea that the hon. member is attempting to put anything over at all—to see that we do not interject into the bill an amendment which will vitally affect what is the intention of the bill at the present time. Let me read the amendment:

That section 10 be amended as follows:

I pause at that point to say that one would gather from the reading that that meant a substitution, but when I go a step further I gather that the intention is to add to the clause. Am I correct in that?

Mr. DUFF: Yes.

Mr. STEVENS: Then the intention is to add to subclause (a) of section 10 the following:

Provided always that if any congregation in connection or in communion with any of the negotiating churches shall upon a vote of such congregation to be taken by ballot in accordance with the regulations set out in schedule "D" of this act—

Which schedule, I understand now, is to be added.

—decide by a majority of the votes cast not to enter the United church, then and in such case the property real and personal belonging to or held in trust for or to the use of such congregation shall remain unaffected by this act and provided that any church formed by the non-concurring congregations shall stand in the place of the respective negatiating church in respect of any trust related to such property. Any

vote of such congregation taken in accordance with the provisions of any act of any province of Canada respecting the United church passed before the passing of this act shall be deemed a valid vote for the purpose of this section.

What I want to point out is that the nature of this amendment is so far-reaching that before I would even attempt to pass approval or disapproval I would like to know whether the counsel pro and con in this case have given it consideration, and whether those who are promoting the bill and those who are resisting it have been fully consulted and are conversant with the nature of the amendment.

Mr. BROWN: There was no clause discussed more fully in committee than this particular one.

Mr. STEVENS: And the amendment was rejected by the committee?

Mr. BROWN: And rejected by the committee.

Mr. DUFF: It was not rejected.

Mr. STEVENS: I want to make my point clear. I am not in a position to offer any criticism of this amendment without a good deal of study, but I would hesitate to give immediate approval offhand to its inclusion in the bill.

Mr. BRETHEN: As a member of the committee in which this clause was discussed, I might say that the petitioners are not opposed to a ballot. The ballot might be taken at this meeting or the people might declare their wish by open vote. But, as I understand it, in six of the provinces legislation has already been passed prescribing a certain method of voting, and the clause in the bill is in harmony with that method. To alter it, I think, would only cause confusion. I might add that it is a provincial matter.

4 p.m.

Mr. STEVENS: My hon. friend means that the clause as it now stands is in harmony with the provincial law?

Mr. BRETHEN: Yes, the clause as it now stands.

Mr. ROBB: Perhaps we could defer consideration of this clause and see if we could not get together on it. It seems to me most unreasonable to take away the right of ballot from these people. We have been extending the franchise in this House; it is a principle we have ourselves adopted. We allow certain classes to vote two or three days before election day. Perhaps my hon. friend from Lunenburg (Mr. Duff) would be willing to compromise and let the congregations decide whether they wanted to vote in congregation meeting; have it optional; give them local autonomy. I suggest that we might let the clause stand and perhaps hon. members might get together upon it.

[Mr. Stevens.]

Mr. GUTHRIE: I think the suggestion a very good one.

Mr. FORKE: Voting for elders by ballot has been mentioned. The ballot has always got to be held at a church meeting, the ballots are never sent out.

Mr. GUTHRIE: At my church they are put on the collection plate.

Mr. DUFF: My hon. friend from Brandon is mistaken. The ballots are taken out by members of the congregation to people who do not come to church, and they send their ballots in by their friends, who put them on the collection plate.

Mr. FORKE: I happen to be an elder myself.

Mr. DUFF: I cannot help that. You do not follow the rules of the church in your congregation.

Mr. LOVETT: Does that hold good in the other two churches, Methodist and Congregational?

Mr. DUFF: I do not know.

Mr. WOODS: It appears to me that the hon. member for East Peterborough (Mr. Brethen) has mentioned a point that is of very great importance, and that is that legislation has been passed in six provinces providing for a method of voting. If this amendment of the hon. member for Lunenburg were adopted, it might cause two votes to be taken in several congregations in these provinces where legislation has already been passed. To my mind, it is of vital importance that this clause stand as it is, on account of the conflict the amendment might bring about. In regard to voting by ballot, I see no reason why a congregational meeting could not be called for a full day.

Mr. DUFF: How would the people who are sick in bed or out of town get to that meeting?

Mr. WOODS: How do they get to a government election now?

Mr. DUFF: We are not talking about that.

Mr. WOODS: They would be in exactly the same position as if it were a Dominion or provincial election. Persons who wished to vote and were in a position to vote could vote if you had a congregational meeting for the full day. In view of the provincial legislation, I think it is absolutely essential that this clause should stand as it is.

Mr. HOEY: Would the hon. member for Lunenburg allow me a question? In view of the provincial legislation that has been passed, does not this relate wholly to property in the Territories?

Mr. DUFF: What do you mean by Territories?

Mr. HOEY: I mean outside the provinces.

Mr. DUFF: Oh no. It is the congregational property.

Mr. McGIVERIN: Great stress was laid by counsel for the promoters on the provincial legislation that had already been passed, and that this clause was an exact reproduction of the clause that had gone into the provincial legislation, and that to have two methods of voting would cause confusion. There was a long discussion in the committee, and a vote was not challenged. Having decided in that way in regard to the voting, and particularly in view of the provincial legislation that has been passed, and as my hon. friend from East Peterborough has just stated as civil rights and property are concerned, it seems to me it would be wiser to adopt the clause as it stands.

Mr. CHAPLIN: Does the chairman of the committee contend that because this clause was not particularly challenged in the way of a vote in the committee, we are estopped or debarred from asking this House to amend the clause?

Mr. McGIVERIN: Not at all, but I say the question was threshed out in the committee.

Mr. CHAPLIN: Yes, but it was never satisfactory to those who were objecting to it, at any point. I might point out that another matter was decided in the committee and decided by vote, and yet this House changed it.

Mr. McGIVERIN: I am not saying for a moment that this House has not the right to amend the clause. I am simply as chairman supporting the action of the committee on this clause, as I did on the other clause. That does not mean that the House will follow my advice, as was seen last night.

Mr. ROSS (Kingston): As one who did not take part in the discussion yesterday or previously, and as one who has no serious objection to union, provided the rights and privileges of the minority are protected, and following the promise of many members who spoke last night that a fair deal would be given, I think the proposition by the member for Lunenburg (Mr. Duff) is only right and fair. At the time of the last vote I was in France and had not the privilege of voting, and when I returned home I found my church voted away from me. Furthermore, this would be about the only case in which the members of the Presbyterian church, especially the non-concurring members would have the right to vote. The Minister of Agriculture (Mr. Motherwell) said that the last vote of 1915 was only a slip vote and nobody paid much attention to it. If we are desirous now of having the matter go through with some kind of harmony, I think it would be in the interests of those promoting the bill to see that a fair opportunity be given to people to express their views. I would like to call attention to the fact that the lay people of the Presbyterian church—and this vote will probably refer to them—had not as a body the privilege of voting. The voting element lies in the kirk session of the congregation to begin with—the ministers and the elders. Next it is in the presbytery—still the ministers and the elders; in the synod it is the minister and the elders, and in the General Assembly it is the ministers and the elders. By the Barrier Act the vote of the General Assembly is referred back to the presbytery. It is only referred back to the people who voted on it previously. I should like to see this matter settled with unanimity and harmony, and I do not think that, as far as the Presbyterian church is concerned, anything except a ballot would be accepted by them. That is the commonest method we have in the church of voting at the present time. The tendency of the time is to extend the ballot to as many people as possible. The taking of a vote at a church meeting would, in my opinion, be a haphazard method, and if a mistake were made they could not rectify it. It is important at this time to have harmony, and if possible to repair a slip which is a very serious matter for the community at large. It is not so much a general thing as it is a congregational matter. I say that vote should be made as large as possible, and I know of no other way that will satisfy the congregation, who will likely be the non-concurring ones, as the ballot, and I would appeal to those who stated that they were willing to give the minority the best possible deal. I think a vote would go a

long way to satisfy many who are dissatisfied at the present time.

Mr. HOEY: As far as congregational property and the disposal of that property are concerned, the question must be determined by provincial legislation. I may be stupid but I cannot see how this provision affects it at all.

Mr. ROSS (Kingston): The ballot is the system we are all contending for politically and in every other way, and it is the system in the Presbyterian church at the present time.

Mr. HOEY: That must be determined by provincial legislation.

Mr. MacLEAN (Prince): I think another matter which is lost sight of is the provision in the first part of subsection (b) which says that only those persons who are in full membership and whose names are on the roll of the church at the time of the passing of the act can vote. There is no possibility of stuffing the ballot box under that section. The ballots will be checked up by the church roll. I do not see that any objection can be taken to the proposal. This does not interfere with provincial rights, because it is a provision that will govern the administration of the act when it comes into force.

Mr. MARTELL: I quite agree with the hon. member, but the legislature of Nova Scotia passed a bill this year which was practically the same as this measure, but they provided that not only communicants but adherents should have the right to vote.

Mr. LEWIS: Is the hon. gentleman speaking as a lawyer?

Mr. MARTELL: Yes.

Mr. BROWN: Or as a member of parliament?

Mr. MARTELL: I am speaking as a member of this House who happens to belong to the legal profession. I have no quarrel with the hon. gentleman's proposition to decide the dogmas of your respective churches, and I have felt during the whole course of this debate that hon. members were getting far away from the points which should be discussed.

Mr. ROSS (Kingston): Is this section (b) the hon. member refers to?

Mr. MARTELL: No. I was coming to the point when the hon. gentleman interrupted, that under the provisions of the Nova Scotia act adherents have the right to vote. Under this act as we are passing it only communicants have the right to vote.

[Mr. A. E. Ross.]

Mr. LEWIS: The section says that wherever it has been passed by the provincial legislature a different form of voting takes place.

Mr. MARTELL: Is the hon. gentleman satisfied that the provincial legislature should provide the method of voting where the provincial legislature gave the adherents the vote?

Mr. BROWN: It is not the method, it is the qualification.

Mr. HAMMELL: I desire to point out to the hon. member for Hants (Mr. Martell) that this clause further down contains the following provision:

> In any province whereby an act of the legislature respecting the United Church of Canada passed prior to the passing of this act, a different qualification for voting has been prescribed, the qualification for voting under this section shall be as provided in such act.

That clearly covers it.

Mr. MARTELL: Probably it does.

The CHAIRMAN: We are anticipating section (b) in this matter, and the question of voting by ballot, and also the provision dealing with property rights, to be a proviso to attach to section 10 (a).

Mr. MARTELL: The qualification for voting does not imply the provision of a method of taking the vote.

Mr. DUFF: All I wish to do is to provide some method whereby every possible member in every individual church will be able to record his judgment whether he wants to go into the union or not. I agree with the hon. member for Vancouver Centre (Mr. Stevens) that, perhaps, the amendment which I moved goes a little too far. We might be able to work this out better by leaving section 10 as it stands in the bill, and if you will be good enough to turn to it, I will move a short amendment to that section which, perhaps, will cover the ground if the committee will agree to it.

The CHAIRMAN: Does the hon. member withdraw his amendment?

Mr. DUFF: Let us just see whether we can agree to this thing.

The CHAIRMAN: The amendment will have to be withdrawn and another one substituted for it, or the vote will have to take place on this amendment, because it has already been read to the committee and the question is on that amendment.

Mr. DUFF: My idea is to suggest a different amendment from the one I moved. If the committee will agree to what I suggest now, I will withdraw the first amendment.

The CHAIRMAN: The hon. member can withdraw the amendment and submit another. He cannot have two amendments.

Mr. DUFF: I will consent to withdraw it.

Amendment (Mr. Duff) withdrawn.

Mr. DUFF: I move that in section 10 paragraph (a) at line 33 the words "or by ballot as under schedule (d)" be included after the word "thereat." I think I can prove to the committee that if they agree to my amendment and allow the vote to be taken by ballot, every precaution is provided under my proposed schedule (d), so that no "loose" votes, as the Minister of Agriculture (Mr. Motherwell) says, will be taken. The schedule gives explicit directions, and everybody will find, when the vote is taken by ballot, that it will be satisfactory and in the best interests of the people concerned. This is the proposed schedule (d):

Schedule "D"

Regulations for vote by Ballot provided for in section 9 (a):

1. The ballot to be used in taking the vote provided for by section 10 (a) and following of the act shall be printed in black type on white paper of good quality at the diligence of the Clerk of Session or Recording Steward of the Quarterly Board, or should there be no such official in office then by the minister for the time being in charge of the congregation.

2. The ballot shall be in the form following or to the same general effect:—

Presbyterian Church

The (or as the case may be)

Are you in favour of this Congregation entering the United Church of Canada?	Yes.
	No.

N.B.—Voter should mark an X opposite the answer which he or she wishes to give to the question submitted and sign this ballot in the presence of a witness and return to the Clerk of Session (or as the case may be) on or before the day of , 19 , when the vote will be closed.

Witness..... Signature.....

3. The said Clerk of Session or Recording Steward or Minister of any Congregation in which a vote is to be held shall personally deliver a copy of said ballot to each member of said Congregation entitled to vote, or shall mail a copy of such ballot to each such member, postage prepaid, and addressed to the last known post office address of such member at least two weeks before the day for the closing of said vote, and the said Clerk of Session or Recording Steward or Minister shall keep an accurate list of the names of all persons to whom such ballots are delivered and of the names and addresses of all persons to whom such ballots are mailed, and shall verify the accuracy of said list by solemn declaration.

4. The said Clerk of Session or Recording Steward or Minister shall likewise deliver or mail at the same time to each said voter an envelope addressed to himself in which the said ballot may be returned to him and upon which the words "ballot paper" shall be printed for purposes of identification.

5. Should any person entitled to vote not receive his ballot in due course he shall be entitled to personally require the said Clerk of Session or Recording Steward or Minister to deliver him a ballot at any time before the close of said poll.

6. Should any ballot of a voter or the envelope for the return thereof be lost, defaced or destroyed before having been deposited, the voter, on establishing said fact by affidavit or solemn declaration, shall be entitled to a new ballot or envelope at any time before the closing of said vote.

7. The said ballots shall be signed by those entitled to vote in the presence of a witness, and shall thereupon be returned in the envelope aforesaid properly sealed to the said Clerk of Session or Recording Steward or Minister either by personal delivery or by mail with postage prepaid.

8. At 8 o'clock in the evening of the day mentioned on said ballot, which shall be not sooner than two weeks from the said date of mailing or delivery, the said vote by ballot shall be closed and the Clerk of Session or Recording Steward or Minister shall thereupon cause to be summoned a meeting of said Session or Quarterly Board without delay for the purpose of verifying the result of said vote.

9. To this meeting of Session or Quarterly Board when convened the said Clerk of Session or Recording Steward or Minister shall produce all said envelopes containing the ballots received by him before the closing of the vote and shall verify the accuracy of this fact by solemn declaration.

10. At said meeting of Session or Quarterly Board the said Session or Quarterly Board or a sub-committee thereof of not less than five members appointed for the purpose shall open the said envelopes and verify and count the said ballots, and shall determine and declare the result of said vote, and shall prepare a list containing the names of all voters who may have cast a vote upon said ballot and showing whether said voters have answered the questions submitted Yes or No.

11. The result of said vote by ballot as so determined shall thereupon be certified by the Minister in charge and by the Clerk of Session or Recording Steward of the Quarterly Board (if any) of said Congregation, and any person who may have cast a ballot upon said vote shall be entitled to obtain upon request from said officers a copy of said certificate.

12. On the two Sabbaths following the verification of the result of said vote by ballot as aforesaid the Minister presiding at all diets of worship then held shall announce from the Pulpit the result of said vote, and a copy of the certificate of the result of said vote as aforesaid shall be posted at or near the entrance to the church edifice, and a copy of said certificate shall be forthwith deposited with the Clerk of Presbytery or Secretary of the Conference having jurisdiction over such Congregation, and also to the Clerk of the General Assembly of the Presbyterian Church in Canada or to the Secretary of the General Conference of the Methodist Church or to the Secretary of the Congregational Union and/or to the Secretary of the General Council of the United Church as the case may be.

13. All ballots cast upon said vote shall be retained in the possession of the said Clerk of Session or Recording Steward or Minister, as the case may be, for one month following the close of said vote, and the said ballots and/or the list of votes cast may be examined in the presence of said officers by any member who may have cast or been qualified to cast a ballot upon said vote.

14. Failure or omission to strictly observe any of the detailed requirements of these regulations shall not entail the nullity of the vote in the congregation in

question, provided that the Superior or County Court of the Province having jurisdiction over such congregation shall decide, if appealed to within thirty days from the first public declaration of the result of said vote, that said vote has been taken substantially in accordance with these regulations and that no such failure or omission has materially affected the result of such vote.

They will mark an "X" after the "yes" or "no". There is a place for the witness to sign and a place for the communicant to sign the ballot.

Section 3 does away with the objection raised by the Minister of Agriculture and the hon. member for Lisgar (Mr. Brown), because those ballots must be returned within a fixed time, and if they are not so returned they are not counted by the officials of the church.

If this schedule were adopted, I think every precaution is taken so that a proper ballot will be recorded and everybody in the congregation will be given a chance to vote either "yes" or "no" on this great question.

Mr. BAXTER: The idea of allowing people to use the ballot who wish to do so appeals to me strongly; I think it is absolutely fair and I desire to support it. Has the hon. member for Lunenburg any provision—I did not catch from his remarks anything to indicate that he had, and I do not find any from the insertion of the words which he proposes—which will determine whether a vote of any particular congregation is to be taken at the meeting or by ballot? In other words, who is to determine the question as to which method shall be adopted in any particular congregation? If I caught rightly the proposed words which the hon. member wishes to have inserted, they are these: "Or by ballot as under Schedule D." If that is right then it leaves it that the congregation may decide by a majority of the votes of the persons present at such a meeting and entitled to vote thereat, "or by ballot as under Schedule D." Apparently there is an alternative form, but I cannot gather who is to settle the question whether the vote is to be taken by ballot or at the meeting. I do not see any objection to the ballot system; on the contrary, I see a great deal of merit in having that system made universal. The ballot seems to me the fairest because I think that all of the members who are in favour of union and who will have accomplished it by their vote would naturally feel very tender of the susceptibilities of the people who hold a different view. The whole thing is a very delicate and painful question, and the best way to approach it, in my opinion, is to give every one the utmost and the fairest opportunity to express his or her view upon the subject. That can be done better by ballot, I believe, than in any other way. I would with all deference suggest that the ballot alone should be used; but if there is to be an alternative form, then at least let us have some authority, designated in the bill, who shall prescribe whether the ballot or the meeting system is to prevail in any congregation.

Mr. DUFF: I think there is a provision in another section whereby the session or the quarterly board on the request of certain members of the congregation shall call a meeting, or decide whether to have the vote taken by ballot.

Mr. BAXTER: The hon. member proposes to move an amendment.

Mr. DUFF: The provision is covered now, I think; I am not positive but I believe it is.

Mr. McBRIDE: I am opposed to any change in connection with the way the vote shall be taken. I hold in my hand a telegram from the Rev. W. MacLean of Newcastle, New Brunswick. There were certain people who had influence and who were good talkers, and they went through his congregation and secured 171 names in opposition to church union; they took an active part, mixed amongst the congregation, and obtained this result. When Rev. Mr. MacLean called on some of these same people, he states, he found that out of 39 whom he interviewed there were 34 who were in favour of church union when they heard the case presented to them as it should have been.

Mr. DUFF: That shows that both sides canvassed.

Mr. McBRIDE: I can see a danger if the vote is taken by ballot; some good-looking gentleman like my hon. friend from Lunenburg, with his pleasant manners, would have no difficulty in getting the ladies in the congregation to vote his way.

Mr. DUFF: I will do my best.

Mr. McBRIDE: I believe that the ballot system would cause friction, and those people who could make the best canvass would secure the most votes. In my opinion the proper way is to call a congregational meeting, and, if you like, have the ballot taken there. But have both sides present at the meeting to hear the subject discussed and then let them decide there and then. I am opposed to any amendment in this respect.

Mr. LOVIE: I am very much in favour of the ballot but my experience leads me to

believe that the best and the most practicable way of taking a ballot would be at a congregational meeting. I say this because last February the congregation to which I belong and the congregation associating with it in entering the union were asked to vote on the question. Six hundred ballots were distributed by mail among the members of these congregations and two weeks were allowed for their return. Out of these 600 ballots only 230 were sent back and quite a number of them were too late coming in. I do not think that there would be any greater vote by means of the ballot than at a congregational meeting, and certainly those who were interested in the matter would make a point of attending the meeting. That, at any rate, has been my experience.

Mr. BROWN: It has already been indicated why we desire the vote to be taken at a congregational meeting. It is significant that when this matter was before the committee reference was frequently made to the fact that at one meeting of the General Assembly it had been indicated that it might be desirable to have a wider method of taking the vote than would be afforded at a church meeting. That was emphasized strongly. But it was also pointed out that when the union committee came together they found that some of the experiences which they had had showed that this loose method of taking the vote was most undesirable. With this before them, and many other facts that might be adduced, I understand, the Presbyterian General Assembly at Owen Sound a few weeks ago stood for the provision of taking the vote as it appears in the bill. I would rather not say these things, although evidently we must say them; but I can well understand how it might be possible for those who would like to secure a vote against the union or in favour of it to make misrepresentations in regard to the subject.

Mr. ROBB: Does the hon. member wish to leave the inference that the members of the Presbyterian church would deliberately misrepresent the situation?

Mr. BROWN: I did not mention the Presbyterian church.

Mr. ROBB: Or any other church?

Mr. BROWN: I did not refer to any church specifically. I came across an instance in which a person had been deliberately told —this was in the province of Quebec—that if this bill went into force the property of the church would be subject to state taxation. That was one of the things that had been stated. In another case representation was made that the congregational property was going to be taken away entirely from the church. It is in view of some of these statements that the General Assembly at Owen Sound decided that it was not desirable that their former recommendation should be carried out and they therefore stood for the bill as it now appears.

Mr. BAXTER: I want to point out to my hon. friend (Mr. Duff) that having looked through the remainder of the section I fear there is no such provision as the one he thinks there is. There is provision for calling a meeting but I do not think it goes further. Personally my attitude on this matter is one of indifference; if the giving of proxies to the meeting would serve the purpose I would be in favour of the proxy. I am in favour of the ballot or the proxy; I am in favour of anything that will give the people a fair, honest opportunity to express their views. I stood up last night in a state of grave doubt in some particulars and voted for the consummation of the union, believing that after all it would in the long run be far the better thing. But because I voted that way I am not prepared, and no one can carry me in a spirit of intolerance, to treat people who are not in sympathy with union as if they were vanquished and all their right of expression and of representation blotted out. That surely cannot be the attitude of any great Christian body. I do not propose to do that. I want to vote for some intelligent, well-safeguarded means of expression, and I do not think that because there may be in churches, as there are outside of them, some people who occasionally do unfair or dishonest acts we ought to brand an honest attempt to give people an opportunity of expression as a mere opportunity for someone to do something that is wrong. That cannot necessarily follow, it does not necessarily follow; if it did, the ballot system of this Dominion would be a veritable farce. Surely, in a Christian body assembled for a deliberate and great purpose such as this, we ought to expect the very minimum of trickery instead of the maximum. I think we may fairly assume that people will handle their ballots honestly, and that there is no intelligent member of the congregation today who does not know pretty well what the issue is in regard to this subject. The great principle of union has been achieved, and I think rightly achieved, by this committee. Surely, there ought to be absolute generosity and fairness in regard to the details.

Mr. STORK: Those who advocated this bill before the Private Bills committee referred quite frequently to the vote taken in 1911 and 1915, and for myself I cannot see why the method which was then so successful should now be obnoxious to those who apparently thought the earlier votes by ballot quite satisfactory. It is quite likely that an expression of opinion might be taken on a stormy night, or on a holiday, or on some other occasion when perhaps only a small portion of the congregation could be present. Surely such an important matter as this should be decided by the democratic and up-to-date method of expression of opinion, namely, by ballot, and I am strongly in favour of this method.

Mr. STEVENS: I would point out to the committee again the rather complex nature of this change as it affects the succeeding sections describing the method of calling the meetings, and so forth, which do not harmonize with the form contained in the amendment. I would suggest that section 10 might stand over until such time as those intimately acquainted with all the clauses of the bill could harmonize their views. I have very grave doubts about the wisdom of amending this clause as proposed, in view of the references made to the provincial acts. This is not only a question applying to the taking in of a given congregation, but it also applies to the disposition of its property.

Mr. BAXTER: This only applies to the vote to enter.

Mr. STEVENS: I would suggest that the committee be given an opportunity to study the clause as a whole so that we may deal with it after mature and careful consideration.

Mr. GOOD: Mr. Chairman, I think the amount of discussion which has arisen over the point would indicate the propriety of letting the section stand until we are better seized of its significance.

The CHAIRMAN: If there is no objection, this clause will stand and the other clauses will be proceeded with.

Mr. MOTHERWELL: Mr. Chairman, I would suggest that the amendment be typewritten and distributed. I am sure half of this committee do not know what the suggestions mean.

Mr. DUFF: I read it clearly enough for everybody to hear.

[Mr. Baxter.]

The CHAIRMAN: I think it should be typewritten and distributed to every member of the committee.

Mr. LEWIS: Could it not be circulated for eight o'clock to-night?

The CHAIRMAN: Section 10 stands in the meantime, with all the subsections.

On section 11 (a)—Commission to determine equities of non-concurring congregations.

Mr. DUFF: Mr. Chairman, I beg to move an amendment to this clause. It is intended to protect the rights of minority non-unionists who have been voted out of their church by the bill.

The CHAIRMAN: Does that mean as to division of property among congregations?

Mr. DUFF: Yes.

The CHAIRMAN: I shall have to rule that such an amendment comes within the meaning of rule 112.

Mr. DUFF: This is the amendment I propose, Mr. Chairman:

That section 11 (a) be amended to read as follows: "Notwithstanding anything in this act contained, non-concurring congregations and non-concurring members shall be entitled to a fair and equitable share, to be determined by the commission hereinafter mentioned, of the property, real and personal, rights, powers, authorities and privileges of or in connection with the respective parent church or churches, that is to say, the Presbyterian Church in Canada, the Methodist church or the Congregational church, as the case may be, vested in the United church by this act, or of or in connection with any congregation of any of the said churches, or to compensation to be determined in like manner in lieu of such share."

In view of the fact that this federal law proposes to set up a commission of nine persons to deal with property, it seems to me that my amendment should be in order. If it passes, the commission, wherever it is deemed practical to divide the property, could give to the minority any fair share to which they might be entitled.

The CHAIRMAN: Under rule 112 no important amendment may be proposed to any private bill in committee of the Whole unless one day's notice has been given. This amendment is so material and so vital to the principle of this bill that in my view it comes within the rule.

Mr. DUFF: Will you allow the clause to stand to enable me to give the required notice?

The CHAIRMAN: Everything will have to stand, apparently.

Mr. DUFF: No.

The CHAIRMAN: I think this amendment requires notice of motion under rule 112. There is no notice before the committee.

Mr. BROWN: In regard to the division of congregational property, I do not suppose any phase of church union has been more widely discussed in the provincial legislatures and committees which have dealt with it. We may just as well recognize that so far as congregational property is concerned it is impossible to consider any smaller unit than the congregation.

The CHAIRMAN: I have ruled that amendment out of order. The question is on subsection 11 (a).

Mr. BROWN: Carried.

Mr. WOODSWORTH: I have an amendment along somewhat similar lines but not touching the matter of local church congregational property. It seems to me that in the case of minorities who wish to form a congregation there should be some recognition of their rights in the general church property. My resolution would be as follows:

That paragraph (a) of section 11 be amended by adding thereto after the word, "congregations" in the second line thereof the following words:

"and any minority number of members of any non-concurring or other congregation as determined by the result of the vote taken under section 10 hereof, who constitute themselves a congregation."

That paragraph (b) of section 11 be amended by adding thereto after the word, "congregations" in the second line thereof the following words:

"and of any such congregation so constituted of a minority."

That paragraph (d) of section 11 be amended by adding thereto after the word "congregations" in the second and third lines thereof the following words:

"and of any such congregation so constituted of a minority."

The CHAIRMAN: My present view is that the amendment submitted by the hon. member for Centre Winnipeg is out of order, because it is an important and vital amendment to this bill requiring notice. If any hon. member desires to speak to the point he may do so.

Mr. DUFF: What about allowing the clause to stand until we get a chance to go into this?

The CHAIRMAN: That may be done if it is the unanimous wish of the committee that the clause shall stand. Is that the committee's wish?

Some hon. MEMBERS: No.

Mr. GUTHRIE: It does not need to be unanimous.

The CHAIRMAN: What rule is there that a clause can stand if that is not the unanimous wish of the committee?

Mr. GUTHRIE: The committee always has control over its own actions. If the committee desire that the clause shall stand, it is not necessary that there be unanimity.

The CHAIRMAN: It is a new rule to me. I thought we had to continue the clauses of the bill right through.

Mr. GUTHRIE: The committee has control of the matter.

The CHAIRMAN: There is no motion before the committee to change the order. The present question is on 11 (a).

Mr. DUFF: I move that 11 (a) stand.

The CHAIRMAN: It is moved by Mr. Duff that paragraph 11 (a) stand for further consideration.

Mr. GUTHRIE: An amendment of some consequence has been moved and notice has not been given. I think the Chairman's ruling is right on that point. But we are all anxious to reach a reasonable settlement and to produce a good bill, and if possible we should avoid having any reasonable proposals ruled out on some technical grounds. It would be far better in the interests of everybody, if we are going to get this bill through, to let the matter stand in order that the motion may be presented regularly after notice, and in the meantime let the notice be given. This bill is not going to be jammed through; it is going to be fully considered.

The CHAIRMAN: Does the hon. member move that the whole section stand, or simply subsection (a)?

Mr. DUFF: Just as you like; 11 (a) will suit me.

The CHAIRMAN: The motion is that section 11, subsection (a) stand for further consideration by the committee.

Mr. GOOD: In view of the amendment—

The CHAIRMAN: This is not a debatable motion, any more than is a motion to adjourn.

Mr. GOOD: I am not debating it; I am simply calling attention to the fact that the hon. member (Mr. Woodsworth) has moved an amendment referring to other subsections. It would seem to be better to have the whole section stand rather than the part.

The CHAIRMAN: I have ruled that the amendment of Mr. Woodsworth, being a vital and important amendment to the bill, and having been given without notice is out of order.

Those in favour of the motion that subsection (a) of section 11 stand for further consideration by the committee will please stand.

Amendment (Mr. Duff) negatived: Yeas, 29; Nays, 42.

The CHAIRMAN: I declare the motion lost. The question is now upon section 11, subsection (a).

Mr. GUTHRIE: This is an important clause, and it will require some discussion. Some of us who were not on the committee which dealt with this measure have not had that opportunity to consider some of the involved clauses that members of the committee have. This, I fancy, is one of them. I note the following opposite the section on the blank page of the bill:

The establishment of a commission is suggested in the report of counsel for the Presbyterian Church in Canada. A commission with wide powers was established by The Churches (Scotland) Act, Imp. Statutes, 1905, c. 12.

The section seeks to make provision for a commission to determine the equities of the non-concurring congregations. It certainly will deal with the property belonging to the various congregations of the church and also with the funds of the church held not by individual congregations but in the name of the church itself. The amendment which has been ruled out of order, and which I am referring to only by way of argument, provides as follows:

Notwithstanding anything in this act contained, non-concurring congregations and non-concurring members shall be entitled to a fair and equitable share, to be determined by the commission hereinafter mentioned, of the property, real and personal, rights, powers, authorities and privileges of or in connection with the respective parent church or churches, that is to say, the Presbyterian Church in Canada, the Methodist church or the Congregational churches, as the case may be, vested in the United church by this act, or of or in connection with any congregation of any of the said churches, or to compensation to be determined in like manner in lieu of such share.

I think the provision of the proposal now ruled out of order is rather better than 11 (a) in the bill, the lauguage of which is as follows:

Notwithstanding anything in this act contained, such non-concurring congregations or any one or more of them as may be determined, shall be entitled to whatever the commission hereinafter mentioned shall determine to be a fair and equitable share of the property, real and personal, rights, powers, authorities and privileges of or in connection with the respective parent church or churches, that is to say, the Presbyterian Church in Canada, the Methodist church or the Congregational churches, as the case may be, vested in the United church by this act.

The commission under the clause has practically unlimited power to deal as it sees fit with the whole property, real and personal, and with all the rights, powers, authorities and privileges of the church. These are very, very wide powers to give a commission. The appointment of the commission is dealt with in the next section, which, speaking from memory, provides that a commission of nine shall be appointed, three by those of the united church, three by those opposed to it, and the remaining three by the six so appointed. I think that the powers given to the commission in regard to the distribution of the property are rather too ample. In my opinion there are churches which have something in the nature of vested rights almost more sacred than the ordinary rights of property—cases where churches hold property by reason of bequests, or under trusts drawn in the strictest language and for the most specific purposes. My opinion is that under this clause the commission would be empowered to deal with trust property, to set aside trusts, nullify the last wishes of testators, and the like. I doubt very much if any commission should be given powers as broad as that. If there are churches, and I believe there are,—in fact I know there are—where property is held to-day under special trust for special congregations, I do not think these trusts should be disturbed by any commission.

Mr. BROWN: Is the hon. member speaking now of trusts for special congregations?

Mr. GUTHRIE: Yes, for specific purposes.

Mr. BROWN: This commission does not touch them.

Mr. GUTHRIE: Then I do not think the clause is well drafted, or if it is well drafted I have misunderstood it. It says:

Notwithstanding anything in this act contained, such non-concurring congregations or any one or more of them as may be determined, shall be entitled to whatever the commission hereinafter mentioned shall determine to be a fair and equitable share of the property, real and personal, rights, powers, authorities and privileges of or in connection with the respective parent church or churches, that is to say, the Presbyterian church in Canada, the Methodist or the Congregational churches, as the case may be, vested in the United church by this act.

If it is intended that this section shall not apply to special trusts or gifts of property to individual churches, I think that should be made clear. I have in mind now the case of

a trust in favour of a particular church, where the money is at all times to be employed for the maintenance of a Presbyterian burying ground. The amount of the trust is fairly large. The man who settled the fund is many years dead, and the trust has always been held by that particular church and to that particular use. I do not think any commission should be permitted to disturb a trust of that kind.

5 p.m.

If it is intended that this clause shall refer only to the general property held in the name of the corporate body, as it were, then perhaps my remarks would not be applicable. But as I read it, it would apply to all property held by any individual church, and the commission would have power under the language of this section to say that the trust shall fall into the general fund, and shall be devoted to this cause or the other, to this use or that, just as it sees fit, and there would be no relief for any person. Last wills could be set aside and trusts of the most solemn and definite kind could be broken. I would suggest that words of limitation of some kind be inserted in this section so that the individual property of individual churches cannot be interfered with by the commission which will be appointed under this clause. I am only at the present time discussing the provisions of subsection (a). Perhaps as we proceed to the rest of the section I may find something that may change my view, as I see there are a great many subclauses to this section; but I would like some clear statement by the promoter of the bill or someone interested in it that subsection (a) does not give the commission power to set aside or otherwise dispose of property held by individual churches in trust for specific purposes.

Mr. LEWIS: Probably if the hon. member had taken the trouble to read section 8 he would have found his question answered. I do not think the section under discussion has anything to do with the individual property of a congregation. It has reference to the real and personal property of the church, trust funds, and so on.

Mr. GUTHRIE: No, I do not think section 8 applies at all to the property of individual churches, but to property that is received after the coming into force of this act. Section 8 says:

> Any real or personal property belonging to or held by or in trust for or to the use of any congregation, whether a congregation of the negotiating churches or a congregation received into the United church after the coming into force of this act solely for its own benefit, and in which the denomination to which such congregation belongs has no right or interest, reversionary or otherwise, shall not be subject to the provisions of sections four and five hereof or to the control of the United church, unless and until any such congregation at a meeting thereof regularly called for the purpose shall consent that such provisions shall apply to any such property or a specified part thereof.

If the words which I have suggested as being appropriately added to section 11 were put in there, it would serve my purpose.

Mr. LEWIS: I understand that the lawyers representing both sides were agreed that section 8 covered the point my hon. friend mentioned.

Mr. GUTHRIE: That is, that no commission in dealing with the property under section 11 shall have any power to deal with private trusts or the private property of any individual congregation?

Mr. HAMMELL: Unless a meeting is called for that purpose and the congregation so decide.

Mr. GUTHRIE: I do not think the congregation has any power to deal with such gifts. If they accept a trust they cannot change it. I do not think the congregation or the commission has any power to change it. I want to make it clear that the commission has no power to change it. Unless someone states authoritatively that that is the meaning of section 8, I think words should be added to provide that the commission shall not have power to change these trusts.

Mr. BROWN: The hon. member, as a good lawyer, will gain some light on the matter if he reads section 5 and 6. Any property that is vested in any individual congregation is absolutely within the control of that congregation, and the commission has no power to take it away from them.

Mr. GUTHRIE: Is there any objection to making that clear under section 11? I stated a concrete case. Take the case of a trust settlement many years ago in favour of the Presbyterian church, where the money is held expressly for the purpose of maintaining a Presbyterian burying ground. Would the commission under section 11 have any power to deal with that trust or the trust estate in any way? If that is made clear, I think that is all I desire to know.

Mr. HAMMELL: It was made perfectly clear by the legal gentlemen.

Mr. LEWIS: It seems to me that any commission that is to be appointed will naturally be guided by the sections in this act dealing with property, trusts, and so on.

Subsection (a) agreed to.

On subsection 11 (b)—Appointment of commission.

Mr. CHAPLIN: You have not read this section and I would like to understand it. The section reads:

(b) All the equities (if any) of the non-concurring congregations, or any of them, under this section, shall be determined exclusively by a commission to consist of nine members, of whom three shall be appointed by the non-concurring congregations at a conference of representatives thereof, three by the United church from its members, and the remaining three by the six members so appointed. The names of such persons shall be submitted to the Chief Justice of Canada, and if he is satisfied after making such inquiry as he deems proper or desirable that they fairly represent the parties so appointing them, their names shall be approved by him in writing and they shall thereupon be deemed for all purposes to be duly appointed. In case the said six members are unable to agree, or in case of failure or refusal on the part of the non-concurring congregations or of the United church to appoint the required number of members as aforesaid within twelve months after the coming into force of this act, the Chief Justice of Canada, upon the application of any interested party, shall appoint sufficient members to complete the commission of nine members,—

Mr. LEWIS: What is the object of reading all this? Hon. members have the bill before them, and we are all able to read.

The CHAIRMAN: The hon. gentleman (Mr. Chaplin) has the right to read the clause if he desires.

Mr. LEWIS: If the hon. member has any amendment to propose, let him propose it.

Mr. CHAPLIN: I am well within my rights in reading the section. Many hon. members here have not had the pleasure of hearing the clauses read in committee, and I do not see that anything will be saved by interrupting. I think in view of the interruption I had better go back and read it all over again.

An hon. MEMBER: Go to it.

Mr. CHAPLIN: The sub-section continues:

—and any appointment so made by him or to fill any vacancy among the members of the commission, or any order of the chief justice on the application of any interested party confirming the appointment of the commission, shall be final and conclusive and shall not be subject to review by any court. If a vacancy occurs in the commission by reason of death, resignation, incapacity or otherwise, it shall be filled by a member to be appointed as in the case of the original appointment of the member whose office is so vacated, and in case of inability to agree or of failure or refusal to appoint as aforesaid, as the case may be, the Chief Justice of Canada may appoint a member to fill the vacancy and so from time to time as occasion requires.

It was suggested in the committee that instructions should be given in respect of the appointment of the chief justice, and that the three members who were to be appointed by him should be outside of any of the churches interested. Certain people of the committee did not seem to want that change made. It seems to me that suggestion should be considered by the House. Inasmuch as three of the members out of the six original members are from each of the churches, it seems to me that if you want to get a fair expression of opinion amongst the nine members, you should balance the commission, with people outside of any of the churches in question. Surely it would not be a hardship to ask that the chief justice appoint people who are not in any way connected with the churches in question.

Mr. LEWIS: It seems to me that this would be just a little reflection upon the members who might be appointed if they happened to be from any of our congregations. I think that if the men who are appointed and who are agreed to by both sides of the commission, free from negotiating churches and free from those opposed to the union, could agree on three men irrespective of the denomination to which they belong, surely they would act in a fair capacity, and I see no reason why that section should not go through.

Subsection (b) agreed to.

On section 11 (c)—Conference of non-concurring congregations.

Mr. McGIVERIN: I move that in subsection (c), line 21, the word "The" be inserted before the word "conference."

Amendment agreed to

Section as amended agreed to.

On section 13—Colleges.

Mr. McGIVERIN: I move that in the first line of this section the word "four" be stricken out and the word "five" substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 14—Religious teaching in colleges.

Mr. McGIVERIN: I move that in line 8 on page 14 the word "twenty" be stricken out and the word "twenty-one" substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 28—Declarations.

Mr. MACKENZIE KING: I move, in accordance with notice of motion given on the 23rd June:

(d) That inasmuch as questions have arisen and may arise as to the powers of the parliament of Canada under the British North America Act to give legislative effect to the provisions of this act, it is hereby declared that it is intended by this act to sanction the provisions therein contained in so far and in so far only as it is competent to the parliament so to do.

Mr. MACLEAN (York): What does that mean?

Mr. MACKENZIE KING: That is a declaratory statement. It simply makes perfectly clear that so far as this parliament is legislating in the matter, it is not interfering with the jurisdiction of the provinces as respects property and civil rights.

Mr. STEVENS: Does the Prime Minister not really think that whether this is inserted or not, the fact is clear that parliament could not legislate to interfere with the rights of the provinces or to do anything contrary to its powers? I do not, however, see that there is any objection.

Mr. MACKENZIE KING: I admit that the powers of parliament are not extended or limited by this declaration; but the sections immediately preceding are declaratory sections, and I think it would be well to supplement them with this one.

Mr. MACLEAN (York): No parliament can legislate outside of its responsibilities, whatever they are.

Amendment agreed to.

Section as amended agreed to.

Mr. LEWIS: Will section 10 come up immediately after recess?

The CHAIRMAN: We have not taken the schedules yet. We shall have to come back to section 10 and the committee decide on that.

Schedules A, B and C agreed to.

Progress reported.

LATE DR. ALPHEUS TODD

LIBRARY COMMITTEE PROPOSE ERECTION OF A MEMORIAL TABLET

Mr. SPEAKER: I have the honour to inform the House that I have received the following report from the Joint Committee on the Library of Parliament:

The Joint Committee on the Library of Parliament met on June 25, and report as follows:

The Joint Librarians explained to the committee the economies which had been effected in regard to the re-arrangement of the periodicals and the work of the bindery. The work of card-indexing the large collection of pamphlets was being proceeded with.

The following resolution was unanimously passed by the committee:

"That it is desirable and fitting that a memorial tablet should be erected in the library to the late Dr. Alpheus Todd, LL.D., C.M.G., former Librarian of parliament, in recognition of the valuable contributions made by him to the study of constitutional government, particularly in the publication of his two works, Parliamentary Government in England and Parliamentary Government in the British Colonies."

RESIGNATION OF MR. PORTER

WARRANT ISSUED FOR WRIT OF ELECTION

Mr. SPEAKER: I have the honour to inform the House that I have received the resignation of Mr. E. G. Porter, member for the electoral district of West Hastings. I have accordingly issued my warrant to the Chief Electoral Officer to make out a writ of election for the said electoral district.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 145, respecting The Interprovincial and James Bay Railway Company—Mr. Parent.

SECOND READINGS

Bill No. 199, to incorpate Shantung Christian University.—Mr. Ryckman.

Bill No. 200, for the relief of Florence Castle.—Mr. Duff.

Bill No. 201, for the relief of Frances Hadenka.—Mr. Duff.

Bill No. 202, for the relief of Louise Powell.—Sir Henry Drayton.

Bill No. 203, for the relief of Margaret Johnston.—Mr. Hocken.

Bill No. 204, for the relief of Hilda Girdler.—Mr. Harris

Bill No. 205, for the relief of Janet Ferguson.—Mr. Ross (Kingston).

Bill No. 206, for the relief of Charles Whittaker.—Mr. Duff.

Bill No. 207 for the relief of Arthur Robert Ascough.—Mr. Preston.

Bill No. 208, for the relief of Albert Joseph Phillips.—Mr. Harris.

Bill No. 209, for the relief of Patience Oldfield.—Mr. Duff.

COMPANIES ACT AMENDMENT

Hon. A. B. Copp (Secretary of State) moved the third reading of Bill No. 118 to amend the Companies Act.

Motion agreed to and bill read the third time and passed.

BILLS OF EXCHANGE ACT AMENDMENT

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 Bills of Exchange Act, Revised Statutes, 1906, Chapter 119, by providing a tariff of fees to be charged by notaries for their services in all the provinces for presenting and noting for non-acceptance or non-payment any bill of exchange or promissory note, for protesting the same, keeping the same on record, furnishing copies and sending notices, and other matters incidental thereto.

Mr. MEIGHEN: Will the minister explain?

Mr. LAPOINTE: Section 124 of the Bills of Exchange Act provides that notaries in each province may charge the fees heretofore allowed them. In the eastern provinces those fees were fixed before confederation. In the West the fees have been regulated by usage. The result is that there is lack of uniformity in the fees charged by notaries for protesting bills of exchange, the scale being different in each province. For instance, in Ontario the fee for protest is 50 cents, for each notice 25 cents; Quebec, $1 and 50 cents; Nova Scotia, 50 cents and 25 cents; New Brunswick, $3. covering protest and all notices; Prince Edward Island, 50 cents and 25 cents, and for outside bills a lump charge of $2.50; Manitoba, $1 and 50 cents; Alberta, Saskatchewan, Yukon and the Northwest Territories, $2 and 50 cents; British Columbia, a lump charge of $2.50. The amendment proposed is for the purpose of having a uniform tariff for all the provinces, and the basis which has been adopted is that prevailing in Alberta, Saskatchewan, Yukon and the Northwest Territories, namely, $2 for protest and 50 cents for each notice. This amendment has been requested by the bar of Ontario and by the Chamber of Notaries of the province of Quebec. The bill has been submitted to the governing body of these professions and has been accepted by them.

Mr. BAXTER: I am in entire concurrence with the idea of uniformity. I wonder however if it is such an integral part of the law relating to bills of exchange that it is within the constitutional power of this parliament. A notary is of course a provincial officer; he receives his commission from the province and his duties may be defined by the province. I think a provincial officer has a right to fix the fees. I wish I felt otherwise, because I think the proposition is a beneficial one. Has the minister given consideration to the constitutional standpoint?

Mr. LAPOINTE: Yes. I know in the province of my hon. friend a statute has been passed fixing the fees.

Mr. BAXTER: That was done some years ago.

[Mr. Lapointe.]

Mr. LAPOINTE: Yes; and Maclaren on Bills, Notes and Cheques says regarding the New Brunswick statute:

As the parliament of Canada has exclusive jurisdiction over bills of exchange and promissory notes, the constitutionality of this provincial act is open to question. It is said that the charge still usually made in this province is that in force before the act in question.

So I really think there is no doubt that this parliament has full jurisdiction in every matter relating to bills of exchange.

Mr. BAXTER: I do not want to protest, because in one sense I agree with this legislation. I think there is quite a distinction that we undoubtedly can make, and that is that a protest shall occur in a certain event, and the fixing of remuneration for a provincial officer performing a service by virtue of his provincial commission. I am not making an objection, but let us hope that the differences are not so great that any one will be compelled to raise the question before the courts.

Mr. CHAPLIN: It seems to me the minister should take into consideration that the business people of the country are being taxed pretty well now and the fees are large enough at the present time.

Mr. LEADER: I should like to endorse that statement. Has the minister had any application from Manitoba to increase the fees in that province? I understand the fee is only about half the amount fixed in the bill. Is the minister going to increase the fees in Manitoba?

Mr. LAPOINTE: I have not heard from Manitoba, but the fees which will be adopted are those prevailing in Saskatchewan and Alberta.

Mr. LEADER: But not in Manitoba.

Mr. LAPOINTE: No.

Mr. COOTE: I have no objection to the resolution, but I warn the minister that when we go into committee I shall object to the scale of fees he proposes.

Motion agreed to, and the House went into committee on the resolution, Mr. Gordon in the chair.

Mr. MEIGHEN: The Bar association appears to have petitions for a uniform schedule, and the schedule provided in the resolution appears to be the highest in force anywhere. I must say I do not believe I would have yielded to that if I had been the minister. It seems to me the lawyers have never needed any help to raise their fees.

Mr. LAPOINTE: In this instance they cannot do it without this legislation.

Mr. MEIGHEN: If a Manitoba notary is charging one dollar for a protest, does the minister say he cannot charge two dollars, unless we pass this legislation?

Mr. LAPOINTE: No. In Manitoba the fees are regulated by usage only. In Quebec and Ontario they come under a subsection of section 124; they must charge the fees which were heretofore allowed them. These fees existed before confederation. The fee of fifty cents for a protest, which is charged in Ontario, is not a proper fee when compared with two dollars which is charged in my right hon. friend's province.

Mr. CHAPLIN: This is not a case of reduction of tariff.

Mr. LAPOINTE: No.

Mr. CHAPLIN: It is a case of jacking the fees up pretty well.

Mr. MEIGHEN: Why does the minister not make it one dollar?

Mr. COOTE: Does the minister think it is right to raise the fee in Manitoba by law? —to double the amount which is now charged simply as a matter of usage? Is that not what he proposes to do?

Mr. LAPOINTE: I really believe it is a good thing to have a uniform fee for notarial protests on bills of exchange in all Canada.

Mr. COOTE: As I understand the minister, the rate now in force in Canada varies from fifty cents up to two dollars. I have no objection to the minister making the rate uniform, but I object to placing the rate at the highest figure which now obtains in Canada. I think the fee of two dollars which is charged in Alberta is unreasonable, considering the amount of work connected with a protest. The notary simply takes a printed form, which probably costs one cent, inserts a few figures and words in it, puts his seal on it, hands it out and charges two dollars. I think the service is not rendered commensurate with the fee, and I would suggest to the minister that before the bill is brought down he should give careful thought to the matter of fees charged, and place them at not more than one dollar.

Mr. LAPOINTE: My hon. friend is making sure I will not prolong the session on account of this bill. I have had requests from the Bar of Ontario, from the Chamber of Notaries of Quebec and others for this legislation.

Mr. STEVENS: Does the bill fix two dollars and fifty cents?

Mr. LAPOINTE: Yes.

Mr. STEVENS: Or is that the maximum?

Mr. LAPOINTE: No, that is the fee fixed. In all the provinces the notaries may charge a fee for their services in accordance with the tariff provided, I am almost sure they will charge that fee.

Mr. LUCAS: I understand in Ontario the fee is fifty cents.

Mr. LAPOINTE: Yes.

Mr. LUCAS: Does the minister not think Ontario would be well satisfied with an increase of a hundred per cent? Then the minister could bring the other provinces down to the level.

Mr. COOTE: Say one dollar.

Mr. HOEY: One dollar, and we will make it unanimous.

Mr. LAPOINTE: I would suggest that the resolution be carried and the bill be introduced, and when it comes back to committee the objection might be raised then. Perhaps it will not be objected to.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 212, to amend the Bills of Exchange Act.

Motion agreed to and bill read the first time.

INLAND WATER FREIGHT RATES

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 the Inland Water Freight Rates Act, 1923, and to provide,—

1. That it be enacted in lieu of the provisions of section three thereof as to filing with the Board of Grain Commissioners of a tariff of rates to be charged, that every shipper (including a corporation) shall immediately after entering into any charter party, bill of lading or contract for the carriage of grain from Fort William or Port Arthur to any other port or place in Canada or the United States by lake or river navigation, and before the grain shall have been laden in pursuance thereof, file with the Board of Grain Commissioners of Canada a true copy of the said charter party, bill of lading or contract for carriage.

2. That the provisions as to posting up statements in detail of cargo space, time of shipment and destination, as prescribed by section six, be repealed, and that the penalty clauses of the said act be amended.

Sir HENRY DRAYTON: Explain.

Mr. LOW: When this act was passed last session, it was passed with one object in mind, and that was to secure information regarding tariff rates and charges between Fort William and Bay, and American ports. As frequently follows in implementing new legislation we found some difficulty during the fall, and that was when the question arose as to whether the American vessel owners would comply with the provisions of the act. They hesitated for some time, but ultimately came in. The object of the amendment is to enable us to secure the information from the source from which it is possibly most easily secured, that is from the shippers, who will be compelled under this amendment to file with the Canada Grain Board a copy of their tariffs—

Sir HENRY DRAYTON: Shippers have not a tariff.

Mr. LOW: They have a copy of the contract made with the ship owners.

Sir HENRY DRAYTON: That is a charter party; that is not a tariff.

Mr. LOW: It is a tariff so far as they are concerned. The information would be obtained perhaps a little more easily in that way than through the American ship owners.

Sir HENRY DRAYTON: Is my hon. friend quite sure that he is giving the real object for passing the legislation last year? The object, we were told, as I recollect it, was that we were going to regulate these rates on the lakes, not merely get information regarding them.

Mr. LOW: The object last year was to secure, so that the public would be able to secure it, the information. It proved perhaps a little difficult to secure it through the American vessel owners, and we are therefore amending the act that we may secure it from the source from which it is perhaps most easily secured, and that is from the shipper. When the bill comes down the object of the amendment will be fully explained to the House.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Sir HENRY DRAYTON: I think we had better call it six o'clock.

At six o'clock the House took recess.

[Mr. Low.]

After Recess

The House resumed at eight o'clock.

Mr. SPEAKER: The motion was made by the hon. Minister of Trade and Commerce (Mr. Low) that the House go into committee to consider the resolution in reference to Inland Water Freight Rates. I understood the hon. member for West York (Sir Henry Drayton) desired to speak to the question, but he is not present.

Motion agreed to and the House went into committee on the resolution, Mr. Gordon in the chair.

Mr. MEIGHEN: I am not quite clear as to why there should be any amendment to the bill to accomplish the purpose. Has the bill not been interpreted to mean this already?

Mr. LOW: It has been so interpreted by the chairman of the Canada Grain Board, but some legal gentlemen have raised a question, on the interpretation and we thought it well to have the matter settled.

Mr. MEIGHEN: What legal gentlemen?

Mr. LOW: Legal gentlemen connected with the Grain Exchange in Winnipeg. The idea is simply, as I stated earlier in the day, to provide a means to obtain necessary information, as I stated, also the American vessel owners hesitated for some time about coming in this autumn but ultimately came in. The object of the proposed amendment is to provide that the shipper will be compelled to file a copy of the contract or charter. The words are very simple. The vessel-owner will not be called upon to file a tariff.

Mr. STEVENS: Do I understand the minister to say that the American vessel owner on the Great Lakes will not be compelled to file his tariff?

Mr. LOW: He will not be compelled to file his tariff, nor will any other vessel owner; but the shipper will be compelled to file the contract.

Mr. STEVENS: It is really an abandonment of the idea in last year's legislation to fix and control rates.

Mr. LOW: Yes, so far as the vessel owners are concerned.

Mr. STEVENS: It is an abandonment of the idea of controlling rates on the Great Lakes?

Mr. LOW: No, not at all. The main object last year was to secure information in regard to the rates which they were charging and the space they were selling.

Mr. MEIGHEN: The minister said that was the main object. What good was that information going to be? How would it be used? Information is not a thing in itself; it is a means to an end. What was the information for?

Mr. LOW: In order that the public might know the rates that were being charged, and that the Canada Grain Board might have this information.

Mr. MEIGHEN: The minister's answer to the question is that the information was wanted so that the public might have it and the Canada Grain Board might also have it.

Mr. LOW: Yes.

Mr. MEIGHEN: What good was it to be either to the public or the Canada Grain Board?

Mr. LOW: I do not think anybody will deny that it will be some benefit to the people of the country, particularly the grain growers, to know the rates that are being charged and the space that is being let from time to time.

Mr. MEIGHEN: This information is of no use to them unless it serves some purpose. What is to be done with it?

Mr. LOW: Information as to the price actually paid for some commodity sold throughout the country is of decided advantage. As regards the grain trade to-day, information concerning the price of wheat can be received by telegraphic communication.

Mr. MEIGHEN: I am free to admit that the people ought to know what is being paid, but they want to know it for a purpose. What good does it do to the western farmer to know that he is paying, say six cents a bushel for wheat shipped on the lakes unless he can make some use of the information?

Mr. LOW: Does my right hon. friend attempt to argue for one moment that it is of no interest to the farmers of the West to know the rate or the price of wheat that prevails from day to day?

Mr. MEIGHEN: I never argued that. It is of great interest to them to know that, but I would not think it would be worth while putting a statute through just so that they should have that information. I do not think the farmers have had very much difficulty in obtaining that information all along. The farmers know that they are being charged this rate, and I have never heard the farmers complain of lack of information. What they are complaining about is that they are being charged this rate. They thought the act of last session was for the purpose of enabling a government body to reduce the rate. Of course the minister contended that the old act was to regulate the rates, but he says now that it is just for the purpose of getting the information as to the rates. It is quite evident that he had abandoned all idea, if it ever did exist, of regulating the rates, because I do not know how he could regulate rates with the interpretation of last October and with this new act which makes the interpretation law.

Mr. LOW: Does my right hon. friend not know that the Canada Grain Board can say to the shipper that the rate is too high? If the rate reaches a point which they consider too high, they can intervene and fix the rate.

Mr. MEIGHEN: I admit that the board can say to the shipper that the rate is too high. This reminds me of the Shakespearian phrase:

> Why, so can I, or so can any man;
> But will they come when you do call for them?

When they do say that the rate is too high, does that make it any lower?

Mr. MARTELL: Where does that quotation come from in Shakespeare? Can he quote it all?

Mr. MEIGHEN: I cannot compete with the hon. member on some things, but I am inclined to think that on that subject I can.

> I can call spirits from the vasty deep.
> Why, so can I, or so can any man;
> But will they come when you do call for them?

Where does the hon. member think it is from?

Mr. MARTELL: Owen Glendower.

Mr. MEIGHEN: I fear he is wrong. I should like him to look it up. Now, if we will come from Shakespeare to the bill—

Mr. DUFF: Shakespeare's name was Bill.

Mr. MEIGHEN: So is that of the hon. member for Lunenburg (Mr. Duff). How is the board going to fix the rate after the rate is fixed? What I mean is this: When the charter party is made, everything is completed, and the board is told that it is completed at a certain rate. What can the board do then?

Mr. LOW: Should the rate have reached a point which the board thinks too high, it can step in and fix the rate. Is there anything in this legislation that the right hon. member would like me to drop? If there is, I would be glad to hear it. I do not think

the right hon. gentleman opposed the old act of last year very strongly. Does he take objection to anything that I did in connection with that act last fall? One thing, at least, was accomplished, and that is that the rates of last year were lower than the rates of 1922. The act had at least that effect upon the rates. I should like to quote a few words from the Free Press of Winnipeg, of January 10, 1924. Speaking of the investigation that had taken place, this paper says:

> As a result of the investigation the Dominion parliament passed the Inland Water Freight Rates Act of 1923 which requires vessel owners to file tariffs of the rates charged for the shipment of grain from Fort William and Port Arthur and gives the Board of Grain Commissioners power to fix maximum rates. This legislation, faithfully prepared, has been found in some details defective. But its effects on the whole have been beneficial, and in spite of a temporary difficulty owing to American vessel owners objecting to file their rates, a much larger tonnage of grain was moved on the lakes in the fall of 1923 than in the previous year, and at a substantially lower rate.

Sir HENRY DRAYTON: I would just refer the minister to the Free Press on the one hand to himself on the other and what he said only a few weeks ago on this very question of rates, when he admitted that there was a very substantial increase in rates in September, when he again admitted that there was a substantial increase in rates in October. There is no doubt about the truth of this thing.

Mr. LOW: You cannot pick out one thing. The average is the only thing that counts.

Sir HENRY DRAYTON: Supposing we get down to facts. What I said and what he agreed to was that ordinarily the rates from Fort William to Buffalo and from Duluth to Buffalo were the same.

The minister agrees. I showed that owing to this hastily rushed through and improvident legislation, American boats would not participate in that business. That was not business of a kind that was at all affected by coastal business one way or the other. It was a movement from a Canadian port to an American port, and American boats always took part in that movement. They stopped for the simple reason that they would not submit themselves to Canadian jurisdiction as was contemplated by the legislation. While under ordinary conditions the rates were always exactly the same, in September last the Duluth-Buffalo rate ranged from 2 1-2 cents to 2 3-4 cents; and on September 20 the Fort William-Buffalo rate had reached 5 cents. The admission was made the other day that the average of the Canadian rates for that month was, from Fort William to Buffalo, 4.9 as I recollect it, and I am sure that is correct. The minister's admission was 4.5 as against 2 1-2 and 2 3-4 from Duluth. These were admitted facts. Then in October the Fort William-Buffalo rate reached its peak of 6 1-2 cents, while the Duluth-Buffalo rate was 3 cents. And that again is admitted. The hon. member for Brandon (Mr. Forke) was here the other day and said he saw no sense in the minister's making out that the rates were low at that time when every one knew they were high. And why were they high? They were high simply because the American boats which had always been in the business and held down the Fort William rate to a parity with the Duluth rate would not enter our ports as a result of this legislation. What was done then? The result obtained last year was altogether in spite of this legislation, that is all. Under this legislation the American carrier had to file his tariffs and submit himself to the jurisdiction of the board so that the board could reduce his rates if they were too high. By filing his tariffs he would place himself in that position, and he would not do so. How was the difficulty overcome? Was it overcome by means of this bill? No; the thing was adjusted in spite of this half-baked and hasty legislation. Why, we had the nonsensical ruling which said that in addition to the carrier filing his charter party and tariff, a further burden was to be placed on the trade: the shippers were to be put in the position of defending the carriers' rates. We usually think there is an issue between the carrier and the shipper; here under this nonsensical ruling, which I admit had to be done under the circumstances as a result of this legislation which was largely ludicrous—

Mr. LOW: Why does my hon. friend not quote some Canadian rates from Fort William to bay ports? If he does he will find they were lower than in the previous year.

Sir HENRY DRAYTON: The minister knows very well that he could not affect these rates one way or the other by the bill; not one order was made, not a single thing was done. I took the place where the rates were affected by the bill, and they were affected just as I say, in connection with that movement. Why was this nonsensical ruling made? Why should the Canadian governments's representatives have found it necessary to go to Cleveland begging and praying that the American owners of vessels should do something to get them out of the mess they put themselves in? That was not in connection with a domestic movement;

it was in connection with the very movement I am talking about. And everybody knows it. There is where the difficulty was. Does the minister want the committee to understand that the commission had to swallow itself, in connection with the domestic movement, and make this change? He knows very well that there is no difficulty in connection with the domestic movement; there is no difficulty as a result of this legislation, and the Canadian boats are looking after that traffic. If this act had done anything in connection with the domestic movement there would have been some order, some fixing of prices; there would have been something definite of the kind. The whole truth is that we had a piece of legislation which was intended to apply generally in ease of the situation; and so far as the movement to Buffalo is concerned, which represents a very large proportion of the trade as my hon. friend knows—some years indeed it is as high as 62 per cent—the prices were raised as a direct result of last year's legislation. It was the only thing that threw Fort William for the first time out of line with Duluth on the Buffalo movement. Why not admit it? It was admitted the other night. We have statements from hon. gentlemen to the left that the rates were increased and they remained at the higher level until the government swallowed itself and said to the American ship owners that they need not file their tariffs; in other words, the American ship owners were virtually told that they could look upon the legislation of this parliament as a perfect joke.

Let me ask the minister this pertinent question: Why does he not confine his jurisdiction to the carrier and have him file the tariff? What is the good of getting after the shipper? He says that the shipper must file his charter party; but what is the shipper interested in? Why, he is interested in getting the lowest rate he can in every instance; he wants to get as low a charter party as he can possibly obtain. What therefore is the use of penalizing the shipper? It is the carriers that we should get after if we are to do anything, and if we do not get after them I do not see why we should keep up the sham.

Mr. ROBB: Hon. gentlemen will recall that the legislation of last year was the result of the prevailing high rates of the year previous and the discrimination then as between rates charged by Canadian vessels plying between Fort Wiliam and Buffalo and between Fort William and Port Colborne or bay ports. If it will help my colleague the Minister of Trade and Commerce (Mr. Low) to get his bill through and let us get on with the business of the House I will admit at once that the legislation of last year was not as complete as it might have been.

Mr. MEIGHEN: What is meant by that?

Mr. ROBB: I will tell the hon. gentleman. The committee will recall that when putting the measure through last year I explained the situation to the House. And by the way, I may observe that I did not notice any opposition last year from gentlemen directly opposite; the opposition came from behind.

Mr. MEIGHEN: That should be an everlasting lesson to us to oppose in the interests of the government.

Mr. ROBB: Hon. gentlemen will recall that it was stated last year on behalf of the government that the real force of the measure was in another bill put through. There were two bills running concurrently, one giving the government power to suspend the coastal laws and when we found that they were discriminating against Canadian ports we took power to suspend the coastal laws. My right hon. friend asked the minister (Mr. Low) a moment ago what was the object in gathering the information. It is so that the grain commission may be enabled to advise the government when there is unjustifiable discrimination against Canadian ports, and when the government are so advised they will be in a position to decide whether or not they shall suspend the coasting laws. That is all there is in it. The measure which my hon. friend is seeking to put through has been working successfully since last fall.

Mr. MILLAR: It will be remembered that there was complaint that the carriers were aiming to dictate to the companies shipping grain just where they should insure their cargo at charges that were said to be double the ordinary rates. I have been told, I think by the chairman of the Board of Grain Commissioners, that the effect of this legislation was to cut the insurance rate in two, that last season it was exactly half what it had been previously. Could the minister give us accurate information as to that?

Mr. LOW: The rates are lower; and, furthermore, we have had no complaints, which is the best evidence that the legislation must be working satisfactorily.

Mr. MILLAR: How much lower?

Mr. LOW: I cannot say.

Mr. STEVENS: If the act is working satisfactorily why take out its very essence and render it virtually ineffective?

Mr. ROBB: It is working satisfactorily under existing conditions. The hon. member for West York (Sir Henry Drayton) made the statement a moment ago. The shipper files the tariffs now.

Mr. STEVENS: I apprehend it is working satisfactorily to this extent: There was discrimination during the year, and the act was ineffective. Just as I told the Acting Minister of Finance (Mr. Robb), who was the Minister of Trade and Commerce when the bill was in committee, it would not have the effect which he was suggesting; and it did not. What occurred? Why, there was congestion, and there were complaints about rates, and an effort was made to have the ship owners comply with the act. They bluntly refused.

Mr. LOW: I think if my hon. friend will make further inquiries he will find that there was no congestion of any kind at the head of the lakes.

Mr. STEVENS: Then why that hurried trip to Chicago, or Cleveland, or Detroit?

Mr. LOW: The minister did not go to Cleveland, or Detroit, or any other American port.

Mr. STEVENS: It was the chief commissioner of the Board of Grain Commissioners.

Mr. LOW: The chief commissioner is free to go wherever he likes. Quite frequently he goes to Buffalo and Cleveland.

Mr. STEVENS: He went at the request of the government, simply because this act, passed last year, proved to be wholly abortive. Let us see what this change means. Last year this clause 3, referred to in the resolution, provided that shipping companies, American, Canadian or otherwise, operating between Canadian ports on the Great Lakes or inland waters, should file a tariff of rates. Then the Board of Grain Commissioners reviewed those tariffs, and the shipping companies were not allowed to make any changes without filing such changes immediately. If it was complained that the rates were too high, the Board of Grain Commissioners were empowered to fix the rates, and a penalty was imposed for failure on the part of ship owners to comply with the requirements of the act. That act did not work; we might as well admit it. The minister should come up to parliament and state frankly: This act was ill conceived, we could not apply it, and it was abortive. That was the net result. Now he tells us he is proposing this amendment in the interests of the shippers of grain. But this resolution says, in effect, that he is going to relieve the shipping companies from filing tariffs at all. He says: We will wipe that out; that has proven to be a gruesome failure. Instead, he proposes this amendment:

—that every shipper (including a corporation) shall immediately after entering into any charter party, bill of lading or contract for the carriage of grain from Fort William or Port Arthur to any other port or place in Canada or the United States by lake or river navigation, and before the grain shall have been laden in pursuance thereof, file with the Board of Grain Commissioners of Canada a true copy of the said charter party, bill of lading or contract for carriage.

Now, there are not very many small shippers of grain who have a complete charter party. This amendment will simply make the individual who buys space in a vessel at any time and who has that space to sell to the real shipper, file his tariff of charges. That is what it amounts to. I venture to say that not a single step will be taken towards controlling rates in the interests of the genuine shipper of grain any more than was done by the act of last session, which has proved to be a wholly abortive piece of legislation. Not only is that the case, but knowing from experience the uselessness of last year's act, the minister now makes it doubly useless by removing the penalty clauses, as is apparent on a perusal of the second clause of this resolution:

2. That the provisions as to posting up statements in detail of cargo space, time of shipment and destination, as prescribed by section six, be repealed, and that the penalty clauses of the said act be amended.

Mr. CRERAR: What is the original clause 6?

Mr. LOW: The penalty clause is not cut out; it is contained in clause 8.

Mr. STEVENS: The penalty is in clause 3.

Mr. LOW: It was covered by clause 3 when the vessel owner had to file the tariffs; now it is covered by clause 8.

Mr. STEVENS: What amendment is the minister making to the penalty clause? He is repealing clause 3.

Mr. LOW: The penalty, so far as the vessel owner is concerned, will be cut out, because he is not now asked to file tariffs; the shipper is.

Mr. STEVENS: The minister is taking out the penalty against the ship owner now. Is he going to put in a penalty against the shipper?

Mr. LOW: Yes. The ship owner will not be penalized, for the obvious reason that he

is not being asked by this act to file tariffs, but the shipper is, and therefore the penalty will apply to the shipper if he fails to file his tariff.

Mr. STEVENS: Very good. Let us suppose there is a shortage of shipping. The ship owner says, "I have space to sell." Thereupon the minister says to him, "All right, you can sell it for as high as you like, we don't care." But the minute the shipper buys that space the minister pounces on him and says, "You register what you are going to pay the ship owner." As to the ship owner—well, there seemed to be an inclination to deal with him under the old act. I admit it was wholly abortive, but the minister and the government claimed credit throughout the country and boasted of how splendidly it worked. Now the minister is going to repeal this splendidly working piece of legislation. I deny that it ever did work satisfactorily. But apart from that altogether, he is now saying to all the ship owners on the Great Lakes. "Charge whatever you like for your space, it does not make any difference; you can form a combine, you can boost your rates up to six, eight, ten cents a bushel."

Mr. LOW: My hon. friend knows that that is not correct. The Canada Grain Board have control of the rates.

Mr. STEVENS: Let me finish. The hon. member for Marquette, for instance, goes to the ship owner and buys space the same as he buys grain or anything else. But the president of the Grain Growers once he has bought that space, comes under this provision:

—shall immediately after entering into any charter party, bill of lading or contract for the carriage of grain from Fort William or Port Arthur to any other port or place in Canada or the United States by lake or river navigation, and before the grain shall have been laden in pursuance thereof, file with the Board of Grain Commissioners of Canada a true copy of the said charter party, bill of lading or contract for carriage.

Now, what protection has my hon. friend got?

Mr. KELLNER: Would the president of the United Grain Growers actually have to file that, or would it be the people he bought from?

Mr. STEVENS: No, we are repealing that. Under the act as it stands, any shipping company or ship owner or person who carries or who offers, advertises or proposes to carry grain for hire—that is, the agent or anybody else connected with the operation of the ship —shall file his or their rates. The minister last year found that that provision of the old act was more or less a joke; it was ill-conceived, poorly drafted and did not work. He sent the chairman of the Board of Grain Commissioners, together with some lawyers, I think he said, to the United States to plead with the American ship owners to come and file their tariffs. The American ship owners laughed at them, just as we said they would; they did not file their tariffs. Then the differences were composed by some secret process that we are not aware of. Well, the minister reads the Free Press and says, "Now, look at what I did by my act last year;" and he pats himself on the back for the accomplishment and asks us to believe that the thing was sound because of its results—I am using his own words. He says that the Free Press indicated by its article that there was a slight reduction from the rates of some previous year. Having established that to his own satisfaction he asks the House to repeal that clause, to release the ship owner from all penalty and to compel the president of the United Grain Growers or any other big shipper, the moment he enters into a cargo contract, to file the rate for the space that he has bought. Why, the shipper does not want protection against himself; he wants protection, if he wants it at all, against the unreasonable upholding of rates by the ship owner.

Mr. ROBB: How are we going to determine whether the rates are unreasonable or not unless we have them filed and get the information?

Mr. STEVENS: My hon. friend intimates to the ship owner by this bill that he is free to fix any rate he likes. The ship owners of the Great Lakes, American and Canadian, the day after this measure passes may enter into a convention to hold the rates next season at 7 cents or 8 cents or any other rate they like to fix. My hon. friend has not taken any power to deal with them at all. It is not an offence; it is not even a moral offence, because the minister is repealing the only statute under which it was ever made an offence. This is the absurdity of the whole business: The man who desires to ship his goods over that route by these ships buys the space, then he has to file the contract. The thing is preposterous right through. I cannot for the life of me see what protection the minister seeks to give the shipper by this legislation.

Sir HENRY DRAYTON: Apparently there is no policy, and it is quite natural—there is no room for one. As to this comparing of the rates of 1923 with those of

1922, let me ask, what was done in 1922? In that year we saw the greatest holding up of lake rates that this country had ever been afflicted with. In 1922 a big cut was made in the railway rates on grain, and where did it go to? In large part it went into the lake rates of 1922, which every gentleman in this House who had anything to do with shipping rates knows were raised tremendously. What was done? Nothing. That sort of performance cannot be indefinitely repeated. These rates would have come down anyway to a normal level. The rates of 1922 were on an abnormal level and they took up very largely the economies effected in the reduction of railway freight rates. What a farce it is for anyone to say that because the rates of 1923 were below those of 1922, anyone is to be praised for it. Where were the rates of 1923 in comparison with those of 1919 or of 1920? Although requests were made in 1922 by members of this House and by grain shippers generally that the coastal laws be suspended, nothing was done at that time to bring these rates down to a point where they could be made a basis of comparison with the rates of 1923. In 1912 there was a quick solution of the whole difficulty that then arose. The coastal laws were promptly suspended. The excuse was made by this government that they had not the right to do what the former administration did, because, they said, the former administration acted under the War Measures Act. Well, they did not; that suspension was in 1912. Taking the domestic rate my hon. friend speaks of, and not the abnormally high rates of 1923 to Buffalo, the only consideration upon which a comparison of the figures of 1923 with those of 1922 may be based is the fact that the rates in 1922 were allowed to remain as they were on account of the refusal of the government to take that plain step which was open to them and which had been taken in 1912, namely, to suspend the coastal laws. There is no use in our hiding the facts from ourselves. That would be a further measure of relief to the shipper, yet what are we doing? For the first time I submit, Mr. Chairman, in the legislative history of any country we are making the shipper, the public who are using these public vehicles, subject to fines. We are striking out the old clause which refers to shipping companies; we are changing entirely the basis of the legislation. We are saying that what the government did last year was not right and are now writing "shipper" for 'ship owner." 'We are saying there are to be no penalties whatever on the boat owners, but there are to be further restrictions, with the possibility of penalties, on the trade. Why, under this bill, before any shipper of grain can even commence to load it on the boat, he has to have somebody get a copy of his charter party and go and give it to the grain commission, and there it will be put in a dusty old file and remain, and no one will pay the slightest attention to it, and there will be no more orders or regulations or action taken than has been the case in the past. This ridiculous thing—well, there will be an excuse given for it; somebody's face will be saved—means just a little more trouble for the grain trade.

[Sir Henry Drayton.]

Mr. MILLAR: In case the rates are found to be too high, and the carrier seems to be responsible, if the authorities endeavour to bring down the rates and the carriers defy them and say they will not bring them down, is there any penalty that this government can apply? Are the ship owners liable in any way under this act?

Mr. LOW: We have power to suspend the coasting laws. That would be a remedy.

Mr. MILLAR: But you could apply no remedy in the way of a fine on the carrier?

Mr. LOW: No.

Mr. MILLAR: I think perhaps too much has been made out of comparisons of rates. I have not the rates under my hand, but I remember the average rate for 1923 was very, very slightly over the average rate for 1922, if any.

Sir HENRY DRAYTON: Not to Buffalo; that was admitted.

Mr. MILLAR: That is one point, and an important one too. I do not so much blame the minister for taking any measures he possibly could to keep the grain moving when it was coming down in an avalanche from western Canada. It would have meant a great loss if it had not kept coming down, but I do think, to use the phrase of the leader of the opposition, that any teeth that were in the act of last year have been withdrawn; at least it appears so to me. It seems to be entirely ineffective now.

Sir HENRY DRAYTON: There are not even the gums left.

Mr. MILLAR: It would appear that that remark is pretty well justified.

Sir HENRY DRAYTON: It is true.

Mr. MILLAR: As there is no way of getting after the carriers, it seems to me you are going the wrong way about in applying the remedy. I repeat, the act of last year

did have a good effect on insurance rates. I am quite convinced that it brought about a cut of fifty per cent in insurance rates, but if you are going to change the act to make it less effective, I am afraid it will amount to nothing, and we shall have the combine operating again as it did in 1922, and perhaps worse.

9 p.m.

Mr. ROBB: Is not the best method of getting low rates, to get as many vessels to come in as you can?

Mr. MILLAR: Yes.

Mr. ROBB: Now, what measure can you suggest that will compel the boat owner to put his boat into your ports if he does not want to?

Mr. MILLAR: Suspend the coastal regulations.

Mr. ROBB: We are doing that.

Mr. MEIGHEN: Does the minister think his legislation is really sensible? Does he not think it is perfectly laughable? A shipper who finds himself with grain at Fort William that he has to ship, because he cannot help himself, is held up, say for 6½ cents, where the rate ought to be say 3½ cents. And he dickers and does the utmost he can to save his own pocket, but the ship owner stands pat for 6½ cents, and the shipper cannot get a better rate. There is a regulation the grain commission can make compelling the shipper not to pay more than 3½ cents. The minister has a law which enables the grain commission to fine the shipper for paying what he is held up for and has to pay. Evidently the minister thinks the shipper is so anxious to pay money out of his pocket that he has to be restrained by law. This is the law that is going through this House.

Mr. LOW: I would like to say a word in reference to the remarks of the hon. member for Vancouver Centre. He seemed to lament very much the fate of the poor grain broker at Winnipeg who had to file these rates. I can tell my hon. friend that we have had no complaints from the brokers, so they do not look upon this as involving a great amount of work.

Mr. STEVENS: Has the minister submitted this resolution to the grain brokers?

Mr. LOW: I have not.

Mr. STEVENS: Then how could he get a complaint if they know nothing about it?

Mr. LOW: This procedure has been in operation since last October.

Mr. STEVENS: Oh no.

Mr. LOW: The shipper has filed tariffs since last October.

Mr. GUTHRIE: Under what law?

Mr. LOW: Under this act as interpreted by the chairman of the grain board, who is a lawyer. The real thing that seems to worry my right hon. friend and his friends on the same side is that last year when we had the largest recorded crop, I think, in the history of this country, it moved as freely as in any other year when there was a smaller crop. What is worrying my hon. friends is the fact that there was no congestion at the head of the lakes. In reply to one hon. gentleman, I think it was the ex-Minister of Finance, may I explain that there is a penalty provided in the act when the shipper refuses to file a copy of his contract or rates.

Mr. STEVENS: What act is that in?

Mr. LOW: That will be in this act.

Mr. STEVENS: Was it in the act of 1923?

Mr. LOW: There was a penalty in the act of 1923 applying to the ship owners. The ship owners are no longer compelled to file their tariffs. This act will not apply to them.

Mr. STEVENS: That is the act that is to be?

Mr. LOW: My hon. friend asks what benefit is to be derived from the act—

Mr. MEIGHEN: Will the minister answer a question? If, for example, a railway company charges more than the railway commission provides for passenger rates, is it the passenger who is fined or the company?

Mr. LOW: We have control over the passenger and freight rates and in this case—

Sir HENRY DRAYTON: Control over the shipper.

Mr. LOW: The chairman of the grain board has the same powers he had under the act of last year.

Mr. STEVENS: To be applied to the shipper and not to the ship owner.

Mr. LOW: To the ship owner; if my hon. friend will only wait till the bill is brought down.

Mr. MEIGHEN: The minister said it did not apply to the ship owner just now.

Mr. LOW: When the ship owner exceeds a rate that the grain board think is just, the board have the right to step in and fix the rate

Mr. MEIGHEN: And fine the ship owner if he does not comply?

Mr. LOW: The American ship owner would probably not come in under those circumstances.

Mr. MEIGHEN: He is not to be fined under the act as it will be amended?

Mr. LOW: Did we fine him before?

Mr. MEIGHEN: You could under the other act, but it was not workable.

Mr. LOW: How could we collect the fine?

Mr. MEIGHEN: What is the sense of providing to fine a poor fellow who is mulcted?

Mr. LOW: We had control of the rates, just as we had control of the freight rates last year.

Sir HENRY DRAYTON: You did not have any control.

Mr. LOW: The result shown in the latter months of last year, I am sure, would convince any man that we had. We were threatened with a congestion at the head of the lakes, but there was no congestion. I am assured there was none. I received hundreds of letters and telegrams in regard to the matter, but I felt assured that there would be no congestion. As a result of the legislation the grain crop of the year 1923 moved perhaps more freely than in any other year.

Mr. CRERAR: I became a little apprehensive, after listening to my hon. friend from Vancouver Centre (Mr. Stevens), lest as a shipper of grain I might land some day in gaol, or be under the penalty of a heavy fine. I think the legislation last year was not very well considered. It was perhaps due to the fact that it was passed, as I understand, in the closing days of the session, in response to a widespread and popular demand that something should be done to control lake rates. After a study of the legislation that is at present on the statute books and which the minister is proposing to amend in the resolution we are now considering, I have come to the conclusion that the legislation was only effective in one way, or it could be effective only in one way. It is true it provided that rates should be filed by the vessel-owners with the Board of Grain Commissioners. It empowered that board, if they thought those rates were excessive, to establish a maximum rate, and it provided certain penalties in the event of the vessel owner violating or refusing to comply with the regulations in this respect as laid down by the Board of Grain Commissioners. That provision, it seems to me is wholly inoperative, and would be wholly inoperative. As is well known, the American vessel owners refused to file their rates with the Board of Grain Commissioners to meet the provisions of the law. I need not enter into the reasons that led them to that action. At any rate, they refused to file their rates, with the result that for weeks American boats refused to come to Fort William and Port Arthur for grain cargoes. But while the law was on the statute books, hastily considered perhaps in its passage through this parliament, it was necessary to provide some relief, in view of the heavy movement of grain from the western provinces, and I must commend the chairman of the Board of Grain Commissioners for the versatility he displayed in getting round a difficult corner. It was a construction put upon the law that I do not think had ever been placed on a law before, but at any rate—

Mr. MOTHERWELL: Did he get results?

Mr. CRERAR: At any rate it got results. Instead of insisting that the vessel owner should file his tariff with the Board of Grain Commissioners as the law provided, the construction was placed upon it that the shipper might file the rates. Consequently since the day that construction was put upon the law last autumn the shippers have filed the rates with the Board of Grain Commissioners, and the minister in the resolution we are now considering simply seeks to make legal a practice which has been in effect for the last seven or eight months. That is the real effect of this legislation.

Now we come to the point as to how effective this legislation, even when it is amended, will be in the control of rates on the lakes; because, as my hon. friend from Vancouver Centre has pointed out, that is the real thing we are endeavouring to secure. I do not think that this parliament can pass legislation that will control rates on the lakes, or that it can pass legislation under which any constituted body in Canada could go to the vessel owners and say, you must carry grain at such and such rates. It cannot be done, unless the arm of authority is to extend in a way that, as far as my knowledge goes, it has never been extended before. It certainly could not be made to apply to American vessel owners. They are citizens of another country, and as such we have no jurisdiction to say to them, you must come and carry grain from Fort William to Buffalo, and you must carry it at this rate. That is an absolutely absurd proposition, and could not be enforced. We might, by the power of

legislation fix the rates at which Canadian vessel owners should carry grain from Fort William, say to Buffalo or to Georgian bay ports or to Montreal. Indeed, I believe that provision is in the law now. But if the government attempted to do that, there is one recourse open to the vessel owners. They could tie up their vessels and refuse to put them into commission for carrying grain, unless the legislation went so far that vessel owners could be penalized for their refusal to carry grain for rates fixed by the Board of Grain Commissioners. So that it seems to me when you boil the thing down in this way, and take the amendment which the minister proposes to put into effect, this legislation has only one virtue. It is not very difficult or onerous for shippers of grain to file their tariffs, or the rates at which they make their charters with the Board of Grain Commissioners. Those charters are filed with the Board of Grain Commissioners, in this sense, that the charter I will make to-day with the vessel owner to carry grain to Buffalo or Colborne or anywhere else is not divulged to my competitor in the trade.

Sir HENRY DRAYTON: The rate ought to be posted.

Mr. STEVENS. The minister indicates that the main virtue of this legislation is that it gives the information to the public. He told us that fifteen minutes ago.

Mr. MEIGHEN: The only virtue.

Mr. CRERAR: I may be wrong in my recollection. Those tariffs may have been available to the public; I am not prepared to say at the moment, but the virtue in this legislation is that the government through the Board of Grain Commissioners are daily in touch with the rates that are being charged on grain, say from Fort William to Buffalo or to bay ports, and if the rates to Canadian ports exceed the rates to Buffalo, the government can go to the vessel owners who alone can carry that grain under the coastal laws, and say to them: You must reduce your rates or we will suspend the coastal laws and bring in American boats into competition with you in carrying grain from one Canadian port to another. When you boil it down that is the only virtue in the legislation.

Mr. STEVENS: That virtue does not exist in this legislation and is not connected with this at all. That is a separate act altogether.

Mr. CRERAR: That is true; but under that separate act the government have the authority to suspend the coastal regulations.

Sir HENRY DRAYTON: We always did it.

Mr. CRERAR: Under this legislation they can get the information as to the rates at which charters are made. If they find that the rates, for instance, from Fort William to Georgian bay ports are higher than the rates charged from Fort William to Buffalo, they are in a position, as a result of the information secured in this way, to say to the Canadian vessel owner: You must bring your rates down or we will suspend the coastal laws.

Mr. MEIGHEN: Does the hon. member not think that if the rates are too high, the government is likely to know that anyway. It was never concealed from us.

Mr. CRERAR: I do not want my right hon. friend to get the impression that I am arguing as to the extent of the virtue in this legislation, I am stating what I think is the only virtue in it. Under clause 6, which the resolution that we are considering proposes to repeal, it was obligatory upon the broker who was the agent through which the charter was made, to post publicly in the Winnipeg Grain Exchange the details of the charter. That, I believe, was also suspended in its operation, and for the very good reason that it is not just nor right that one firm's business should be exposed to the gaze of another within half an hour of the time when the charter is made.

Mr. ROBB: If my hon. friend buys 100,000 bushels of wheat on the market in Winnipeg, his competitor knows what he pays for that wheat, and the man who has the wheat to sell back in the country knows what the wheat is worth. Is there any reason why the man back in the country should not know what freight he has to pay on it.

Mr CRERAR: The minister is not quite correct. The price at which 100,000 bushels of wheat is bought is not necessarily known to the trade in Winnipeg. It is true that prices for future months are posted on the board every few minutes and every one knows what these prices are. But no one knows what premium I may pay for cash grain an hour or five hours from now. The same thing holds true in respect to rates. I do not think that is an unreasonable provision, and I cannot see where this is going to bring one iota of protection to the owner of the grain who ships it from the country point. We are seeking to get some effective control over those rates, and there is no question in my mind that

Canadian vessel companies have at times charged extortionate rates from Fort William for carriage eastward. The only remedy that the government has now short of passing legislation that will absolutely compel them to accept certain rates and to operate their boats under those rates, is the suspension of the coastal laws. My advice to the government next autumn or at any future time is this, that the moment the rates from Fort William to Georgian bay ports get out of line with the Buffalo rates, they should suspend the coastal laws.

Mr. ROBB: Is it not fair that we should create machinery first to get the information as to the rates?

Mr. CRERAR: As I have said that is the virtue in the resolution.

Mr. STEVENS: While I agree with all that my hon. friend has said as to the facts, the deduction that this is going to effect that, is without foundation. Take, for instance, my hon. friend's operations. He makes a charter rate for a ship in September. He does not want, and he should not be asked, to divulge to the public what, as a shipper, he paid for that charter. Why should he?

Mr. ROBB: Why should we publish statistics stating that we are going to have so much wheat? If it is published to the world how much wheat the farmer has, why should he not know who wants to buy the wheat?

Mr. STEVENS: What is published is simply the market quotations that everyone pays or wants to deal at on the open market. But if I make a special deal in wheat in connection with a special order I want to fill, and I pay one, two or three cents' premium for it, that is nobody's business and it is not posted on the market.

Mr. ROBB: Is it not posted every day how much wheat is running on wheels towards Fort William?

Mr. STEVENS: Yes.

Mr. ROBB: Why should the other fellow not know what is going out?

Mr. STEVENS: That has nothing to do with the question. I do not think any shipper should be asked to reveal what he pays for a charter. If we can work out an effective scheme of showing what the prevailing rates are, that would be useful. But the minister himself admits that the legislation of last year was absolutely abortive and useless. The present minister comes to us to-day and says that by his action of last fall he ironed out difficulties, and that the wheat moved smoothly and rapidly through Fort William. How did he iron them out? He violated, broke and disregarded his own law, just as we told him last year he would have to do, a law that was ineffective and useless when it was passed. What I am complaining of is that, instead of coming before parliament and frankly admitting that in their haste and desire to do something that would make a show at the tail end of last session, in puitting through a hasty piece of legislation, they had blundered, they come before parliament and ask us to substitute the shipper for the ship owner, and I say to this committee that it is a piece of ridiculous absurdity. The minister ought to abandon this resolution and repeal the act. He ought to rest his case upon the release of the coastal laws where the real remedy rests and always did rest. Let us go back to 1922 when there was a congestion which, if I remember aright, was at the easterly end. Ships were tied up at Port Colborne and other points and were held there so long that they had to raise the rates to make up for the trips they lost. The government appointed W. T. R. Preston, I understand, to wander over the country for about three months, during the very period when the congestion was occurring, when rates were soaring day by day. Instead of taking time to draft an order in council to appoint W. T. R. Preston, they could, with the same time, have suspended the coastal laws. What was the result of Preston's three or four months' operations? That year the shipper of grain paid as high, I think, as 22 cents. Let me read what the hon. member for Brandon (Mr. Forke) said in regard to this last year:

> Now, what happened? I am not going to review the whole situation because there will be other opportunities of doing that, but we know that at the beginning of the season the rates had been fixed at three cents per bushel from Bay ports to Buffalo. Then came this enormous crop, and we had that famous meeting that took place in Toronto in May, 1922, when half a dozen shipping companies got together and formed what you may call a combine, because there is no other name that would be appropriate for it, and they agreed to fix the rate at seven or eight cents immediately after.

And so forth. In fact the rates went, at the latter end for a short period, much higher than that. The government appointed W. T. R. Preston, and after he had wandered over the country for a time, they passed this abortive law of last year. Now they come before parliament and, instead of admitting that it was wholly useless, they try to substitute something that will be worse. I predict that nothing but mischief and heart

burning can come from this resolution, and I ask the hon. member for Marquette (Mr. Crerar) to mark my words. It is a subterfuge. It is simply drawing a smoke screen in front of the whole public. It is a difficult problem and we know it; but the courageous thing for the government to do, and the proper attitude for parliament to take, is here and now to notify the ship owners on the Great Lakes that the moment there appears any evidence of excessive rates the coastal laws will be lifted. But do not let us pass any such legislation as this behind which they can shelter themselves perhaps for months while we go through the tedious process of breaking down red tape and hampering and embarrassing shippers. Let me again point out the absurdity of this legislation. The ship owners can fix any rate they like, and so can ship agents and brokers; but the man who buys space, the owner of the grain at the seaboard or at the lake port, must file a tariff. The thing is preposterous; it is an utterly absurd piece of legislation which no parliament should enact. I dislike very much to see parliament taking up its time in passing absurd legislation of this kind. If any good could be gained by it, if any result could be obtained, then although I might not agree with it I should at least be inclined to respect the minister's efforts. But the sole object of this legislation, so far as I have been able to discern its object, is to enable the minister to retreat from a position which he can no longer hold. The former minister's legislation of last year was not only abortive but it was mischievous; and now instead of repealing it my hon. friend substitutes the present measure. He suggested a moment ago that this would be an improvement, but I submit that it cannot possibly be that; all that it can do is to embarrass the shipper. Let me say in defence of the shippers, a great many of whom I represent, that it is unjust to ask them to state the price they pay for their charter. What right have we to demand that? If the shipper is held up by a common carrier he has some grounds to claim protection from the public. But the purchaser of this particular commodity, the shipper who buys space, is the victim in this instance; he is not the offender, he is not the one who is holding the thing up. So why demand from him information as to what he pays for his space?

Mr. KELLNER: Has the hon. gentleman any suggestion as to how parliament could exert any influence over the vessel owners and demand the information from them?

Mr. STEVENS: My attitude in regard to that question was expressed last year and I will state it again. By all means, if we can design a workable scheme to control the ship owner so as to ensure that he will not charge an exorbitant rate, let us do so. But experience teaches us that it is exceedingly difficult if not impossible to draw up legislation that will control this situation.

Mr. KELLNER: This is the only experience we have had.

Mr. STEVENS: No, we had the experience of last year's abortive effort. The Acting Minister of Finance (Mr. Robb), who was Minister of Trade and Commerce last year and who fathered the original legislation, to-day admits that the only weapon that is available is the suspension of the coastal laws; in other words, it is applying the principle of competition. That is the only weapon we have. As I pointed out last year, unless you can devise some legislation which is clearly and definitely effective or which is likely to prove effective then let shipping be free, with the understanding that the moment the rates charged are demonstrably unreasonable and unfair the coastal laws shall be lifted to allow competition to have free play. I know of no other way of meeting the situation.

To come back to the suggestion that this shall be secret. The minister has already assured us that the one outstanding virtue of this legislation is that everyone will have this information. My right hon. leader (Mr. Meighen) questioned that, and the minister emphatically replied that undoubtedly everyone must have it, because that was the virtue of the bill. I agree with my hon. friend from Marquette (Mr. Crerar): why should any shipper's charter party be given to his competitor? It is unfair. Suppose a shipper is farsighted enough to make a good charter party now for a September ship which he knows he has a contract to fill in Europe. He wants to safeguard his business and he makes a charter now for 3 cent; and the rate advances in September to 4 cents. But he does not want every Tom, Dick and Harry in the country to know he has that advantage, and I do not think it is anybody's business to know it. He has a right to take advantage of that situation if he so desires as a purchaser of space. But that is a wholly different thing from ship owners getting together and fixing an excessive rate, and I again warn the committee that if this legislation is passed it will constitute an invita-

tion to the ship owners on the Great Lakes to get together and fix a rate at the very highest point possible. We shall have to wait until the bill itself comes down to be able to see the exact provisions of the individual sections; but the resolution which is before us would undoubtedly indicate that.

Mr. CRERAR: I do not know that I can quite agree with the rather sweeping assertions of my hon. friend (Mr. Stevens). As I said before, there is no particular hardship on the shippers of grain in filing with the Board of Grain Commissioners the rates at which their charters are made. But while the legislation was ineffective in some respects, noticeably in this, that it could not exercise any control over American vessels, it did have one very excellent advantage in its insurance clauses. If I remember rightly, before this legislation was passed the rates of insurance on the lakes were in excess of 30 cents per $100 value of the grain. As a result of the legislation that insurance ring was broken, and I have been informed that insurance has been written recently as low as 3 cents per $100 from Fort William.

Sir HENRY DRAYTON: That is the effect of section 7?

Mr. CRERAR: Yes.

Sir HENRY DRAYTON: Do you not think it might be just as well to keep that section and get rid of all the rest?

Mr. CRERAR: What I am seeking to point out is that the legislation was not so utterly valueless as my hon. friend (Mr. Stevens) argues.

Mr. MEIGHEN: What about the $2,500,000 the farmers lost in excessive rates during the first part of the year? That was a high price they had to pay for this government's blunder.

Mr. CRERAR: We are remedying that now, or at any rate the minister I think is trying to do so.

Mr. MEIGHEN: But he cannot hand the money back.

Mr. LOW: Grain was not shipped to any great extent until about the first of October so that there was no money lost to the shipper.

Mr. CRERAR: I am not prepared to substantiate the minister's assertion in that respect. I have not the rates with me but I think the absence of the American boats in the early part of the season did have some effect on the rates. At any rate, this insurance provision was of definite value in the bill and unquestionably it saved hundreds of thousands of dollars to the farmers of western Canada last year in the shipping of grain to Buffalo and other eastern ports. I see no way whereby this parliament can exercise control over American vessels, and without question the American vessel is necessary to move our grain crop from western Canada. My hon. friend from Vancouver Centre says that the vessel companies, American and Canadian, might get their heads together and fix minimum rates at which to carry grain. That is possible. If that is done I do not see that this legislation will give the Board of Grain Commissioners any control over it, unless they are armed with authority to compel Canadian vessel owners to put their vessels in commission on the Great Lakes, and under this legislation, as I interpret it, they have not that power.

Mr. ROSS (Kingston): What was the insurance rate before the act came into force?

Mr. CRERAR: My memory is that it was about 33 cents per $100.

Mr. CARRUTHERS: I should like to ask the hon. member for Marquette, as a grain expert—

Mr. CRERAR: No.

Mr. CARRUTHERS: Or rather, as a shipping expert—

Mr. CRERAR: Worse still.

Mr. CARRUTHERS:—what he would think of the government building and operating a line of large grain carriers to Georgian bay ports, and in that way holding some control over even the American lake carriers?

Mr. CRERAR: I think the suggestion is worthy of very serious consideration. The government merchant marine is to-day operating some boats on the lakes carrying grain, and if we are to have shipping combines in Canada whose excessive rates will take a toll off Canadian grain as they have unjustly done in the past, then I think parliament will be justified in saying to the government: We will provide you with the means to enable the Canadian Government Merchant Marine to put ships on the lakes to carry this grain at a fair rate.

Mr. MEIGHEN: Hear, hear.

Mr. MILNE: A statement was made some time ago that as not very much grain was moved until October, the farmers of the West had not lost a great deal in 1923. I have here a report prepared by the Bureau of Statistics, from which it appears that the

highest average rate in the last ten years was in 1918. The average for 1923 was 4.07, and for the high year, 1918, 4.32—a quarter of a cent lower than at the very peak prices. For the month of October the rate was 4.53. For the year previous, when we had so much trouble about freight rates, it was 3.88. The statement was made a little while ago that the government had control of the rates, and that just as soon as they found them unreasonable they would exercise their power of control. What does the minister think would be an unreasonable rate on the lakes if rates are to be allowed to soar away up beyond the peak rates of 1918, when we were in the midst of a great increase in the prices of everything? If they maintain that such rates are not above what is fair and reasonable, I should like to know where they are going to draw the line.

Mr. LOW: That is a matter for the grain board to determine. They have power to fix rates when they think they are too high.

Mr. MEIGHEN: And if the rates go above that maximum, under this amendment, they will fine the shipper for paying them.

Mr. LOW: I think the ex-Minister of Finance (Sir Henry Drayton) argued that the effect of this act was to make the rates higher in 1923 than they were in 1922. Let me make a comparison. He said certain months before—

Sir HENRY DRAYTON: I did not say that.

Mr. LOW: What did you say?

Sir HENRY DRAYTON: I do not want to be drawn into a comparison of one year as against another; that is nonsense. I want to take the actual movement made in the same conditions and year. The fact is that the ordinary movement to Buffalo from Fort William on the one side and from Duluth on the other is exactly the same, but I showed him that under this legislation with no American boats out of Fort William that rate was about twice as much as from Duluth.

Mr. LOW: I know that the information, I am going to give my hon. friend will not please him.

Sir HENRY DRAYTON: My information is correct; that is the only difference.

Mr. LOW: Let me quote the rates between Canadian ports—from Fort William to Georgian bay ports. Everybody will admit that in 1923 we had one of the largest, if not the largest, crops in the history of this country. In the month of July there was practically no wheat moving. Let us take the month of August, when the act of last session may be presumed to have become effective, and see what is the difference between the rates in 1922 and in 1923. During the month of August 1923 the rate was one-fifth of a cent per bushel higher than for the corresponding month of 1922. In view of the fact that we had such a large crop, that is not a very great increase; it cannot be attributed to the act.

Mr. SHAW: Can the minister state how much grain was moved in each of those months?

Mr. LOW: I will look that up. In the month of September, when perhaps we heard more about the effect that this act would have upon the movement of grain than at any other time, the rate was just one-half cent a bushel higher in 1923 than for the corresponding month in 1922.

Mr. CRERAR: That is the average?

Mr. LOW: Yes.

Sir HENRY DRAYTON: That is to Canadian points?

Mr. LOW: Yes.

Sir HENRY DRAYTON: Certainly.

Mr. LOW: My hon. friend likes to refer to Canadian points frequently, but when that does not suit him he would rather refer to American points. We are anxious to build up the trade of our ports, therefore we are more concerned about the rates between our own ports.

Mr. CAMPBELL: Will not the minister admit that the rates were very much higher in 1922 than the regular prevailing rates?

Mr. LOW: I am merely showing that the effect of this act was not to raise the rates in 1923.

Some hon. MEMBERS: Oh, oh.

Mr. LOW: In October 1923 the rate was only two-fifths of a cent per bushel higher than in the corresponding month in the previous year; in November 1923 it was 2 cents per bushel higher than in November 1922; in December 1923 it was 2 cents lower than in December 1922. During the whole season of navigation the rate of 1923 was from one-tenth to one-half a cent per bushel less than for the year 1922.

Mr. SALES: How do you arrive at those figures?

Mr. LOW: I will be glad to send the figures across to my hon. friend.

Mr. SALES: I will be glad to see them.

Mr. GARDINER: Will the minister read those figures over again? I think his calculation is wrong.

Mr. LOW: They are all on Hansard. Now, the one regret of my hon. friend from Vancouver Centre (Mr. Stevens) seems to be that the broker will be put to some little trouble by the proposed amendment. And he laments too for the shipper, who is always able to look after himself. I do not think that many hon. members will object to the shipper being compelled to lower the rates at any time through the efforts of the Canada Grain Board. The brokers at Winnipeg are finding no fault with the requirement to file their tariffs; in fact they have filed them since last October. The hon. member (Mr. Crerar) knows the feeling of the brokers of that city and he corroborates my statement that they do not object. I assume my hon. friends will take the matter up further when the bill is before the House, and I shall be glad to discuss it with them.

Sir HENRY DRAYTON: So far as insurance is concerned I have no objection at all to the provision made in that regard. That meant something; that is something within our jurisdiction. My hon. friend says this legislation did not cost the farmer one cent. I showed the other day that it had cost two and a half millions. I think it probably cost more than that, but I like to be within the mark in these matters; I know it is at least that. We all know that the prices the farmer gets are based on Fort William and Port Arthur and that the furtherance costs from Fort William and Port Arthur take account of the difference in cost between those points and Liverpool. Is there any dispute about that? Part of that cost, the cost based on Fort William and Port Arthur plus the cost of transportation to Liverpool, is the lake rate. I have already pointed out that in connection with the Buffalo movement, which is a very large movement and on which prices are frequently based, there was in September a range of from 2 to 2¾ cents before to an average as given by my hon. friend of 4.90 cents and a price of 5 cents, as quoted by me, on September 20th. In October the range of prices from Fort William had been advanced from 5 to 5½ and 6½ cents as against 3 from Duluth.

[Mr. Sales.]

Mr. LOW: The rates to-day are perhaps the lowest in the history of shipping, and they are exceedingly low to Georgian bay ports. Will my hon. friend give this act any credit, or will he say it has nothing to do with it?

Sir HENRY DRAYTON: Not the slightest.

Mr. LOW: Or is the result attributed to the act only when the rates happen to be a little higher? The fact is that the rates to-day from Fort William to Georgian bay ports and American ports are lower than they have ever been, or at any rate lower than tney have been for a number of years.

Mr. SPENCER: Is that not because there is very little grain moving?

Sir HENRY DRAYTON: And a lot of boats off?

Mr. LOW: Yes.

Sir HENRY DRAYTON: If the act had to do with it, what about the high prices last year?

Mr. GRAHAM: If the act is responsible for high prices, it must be responsible for low prices.

Mr. LOW: That is the point I wished to make.

Sir HENRY DRAYTON: There was one definite thing this act did, and if the Minister of Railways had been in the chamber he would have known it: it kept the American boats out of business for over two months and as a result shoved up those prices, which came down as soon as the American boats came back.

Mr. LOW: The American boats only come in when they have no cargoes to carry from their own ports. They seldom come in before October.

Sir HENRY DRAYTON: The American boats come in as it pays them to come in. If our rates are high, they come in at once, and their coming in is one of the things that keeps rates down. I say that the farmer's prices—and I thought everybody knew this—are based on Fort William-Port Arthur plus the cost of moving the grain from there to Liverpool. I do not think my hon. friend will dispute that, but he has to dispute it in order to contend successfully that he has not raised the price to the farmer. He says there was not much movement during September and October. Well, let us see. In September 1923, we had marketed deliveries by the farmers at country points

of 83,353,614 bushels of wheat, and of other grains, 10,664,015 bushels; in October, 115,139,096 bushels, and of other grains 19,702,989 bushels. Of course the question is how much of that grain was actually sold by the farmers in those two months.

Mr. ROBB: No, the question is how much of it reached the lake ports in those two months.

Sir HENRY DRAYTON: We will take that up afterwards. If the farmer has sold his grain, on what were his prices based? If the minister will consider that for one minute he will see how absurd his proposition is.

Mr. ROBB: There are farmers selling their October wheat to-day on the basis of Fort William, but that does not mean it has reached Fort William.

Sir HENRY DRAYTON: Surely my hon. friend knows that the farmer's price is fixed when he sells it—never mind when it is shipped or whether it has reached Fort William or not. I am talking about the losses caused to the western farmer as a result of this legislation. As I have said, his prices are fixed on Fort Wiliam and Port Arthur, plus the cost of getting the grain to Liverpool, whether or not it has actually arrived there. So that the minister was ill advised in his interruption. Now, I do not think there is much doubt that everything that was actually shipped to the lakes had been sold by the farmer. Things may have changed very much since, but from my experience when I was on the railway board I would say that at least 50 per cent of the unshipped balance would be sold by the farmers long before it ever got to Fort William.

Mr. McBRIDE: Does my hon. friend think that the Canadian vessel owners on the Great Lakes should have any protection over the American owners?

Sir HENRY DRAYTON: That is another point. I am trying to get at a matter that is challenged, and one that I think is of interest to any one who is growing grain.

Mr. McBRIDE: That is not an answer.

Sir HENRY DRAYTON: I am not answering my hon. friend now. I am trying to explain a calculation, and I am not going to be turned away from it. Now suppose we assume, against what I know to be the ordinary rule, that they still have 50 per cent; that is 50 per cent forwarded, and 50 per cent still held by the farmers. It would work out that there had been sold by the farmers at the end of October 135,294,000 bushels of wheat and 20,585,000 bushels of other grains. Now the difference between those rates from Fort William to Buffalo, on the one hand, and Duluth to Buffalo on the other, ranges from the Buffalo price of 2½ cents up to 2¾ cents to the Canadian price of 5 cents. The average 4.9 cents is admitted by the minister for the whole month. That produces a difference in price greater than 2 cents a bushel, but let us cut it down to 2 cents a bushel, and if we were to give the real thing it would be a good deal more. In October it ranged from 5½ to 6½ cents from Fort William, as against 3 cents from Duluth; the difference is 3½ cents, but let us cut that down to 2 cents, for I want to be conservative. Cut that down to 2 cents instead of what the admitted figures show, and we have an actual loss to the Canadian grower of grain of $3,100,000.

Suppose you take it another way. Take it on the stuff moved, and my hon. friends are going to find themselves in precisely the same difficulty. There is a movement in September of 19,114,671 bushels of wheat, and 3,729,526 bushels of other grain; in October there was a large movement of 52,000,000 bushels, ex-Fort William and Port Arthur, when we were told there was nothing doing. In October there was a movement of 52,981,781 bushels of wheat, and 7,020,312 bushels of other grains. While we got relief in November because the government read into the Act, instead of the word "ship owner" or "ship broker" the word "shipper," making all the charter parties under which the November shipments moved considerably higher that what the real rate was on the former basis if the charter parties had not been made, there was moved in that month 77,436,635 bushels of wheat, and 14,761,979 bushels of other grains. Now, how any one knowing anything about this business can seriously say that the tragedy which happened in those two months, which effect was carried into November, and I am charging nothing up for what was carried into November, cost the country nothing—well, he must have a great idea of the common sense of this House.

Now, what is the whole defence of my hon. friend? He has none in connection with that heavy movement to Buffalo. He has none in connection with the one thing where American competition is absolutely vital, and that is the one movement where it is. He has not one defence. He goes back to Canadian points where we have the benefit of American competition, unless the coastal laws be suspended,

10 p.m.

and what can he show there? He shows that in August, 1923 the rates were one-fifth of a cent up as compared with August, 1922; in September, 1923, half a cent up as against September, 1922; October, 1923, two-fifths of a cent up as against October, 1922; in November, 1923, two cents up as against November, 1922.

Mr. LOW: If I quoted two cents higher for the month of November I must have made a mistake.

Sir HENRY DRAYTON: I was going to point out that that must be wrong.

Mr. LOW: It is two cents lower.

Sir HENRY DRAYTON: Two cents lower. Now what is the basis of comparison? The basis of comparison is with a year that—why, are our memories so short that we do not know what happened in rates in the autumn of 1922? Are our memories so short that we do not know the attempts that were made to get the rates upon a proper basis? Are our memories so short that we do not know the charges that were made, that the lake carrier was taking up all the economies effected by a reduction in railway freight rates? Are our memories so short that we do not know that a roving commission was appointed because these rates were so tremendously out of line, that roving commission being composed of Mr. W. T. R. Preston? We remember that. One useful thing was done; Mr. W. T. R. Preston again was enabled to draw something out of the public treasury, and the grain rates were still allowed to go on. Very useful! It was simple and easy to do just what was done in 1912, suspend the coastal laws at once, but if that had been done Mr. W. T. R. Preston could not have drawn down anything. But that is the basis that is chosen for comparison, and choosing a basis of 1922, with the rates then charged, was an insult to the intelligence of this House.

Mr. SALES: May I ask under what authority you suspended the coastal laws in 1912?

Sir HENRY DRAYTON: We did not have much trouble about the authority. We were the administrators of that act, and we did not twist its meaning upside down either. We simply said: That act will not be enforced by us.

Mr. SALES: Then you had no authority?

Sir HENRY DRAYTON: Certainly. We had authority to step in at any time. Why not?

Mr. GRAHAM: No.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: Was anything done because we did? Was any claim of wrongdoing made in consequence? Not the slightest.

Mr. ROBB: My hon. friend suspended the coastal laws in 1912 just as we did in 1922, near the close of navigation.

Sir HENRY DRAYTON: In the year 1912, when we had a precisely similar situation to that which confronted this government in the year 1922 we suspended the coastal laws.

Mr. GRAHAM: At what date?

Sir HENRY DRAYTON: In the autumn of 1912; I do not remember the exact date.

Mr. ROBB: Just for the last trip, exactly as we did in 1922.

Sir HENRY DRAYTON: In 1912, not at all, not in the slightest. In answer to the hon. member for Saltcoats, if it was perfectly all right to suspend the coastal laws for the last trip, it was perfectly all right to suspend them before.

Mr. LOW: My hon. friend the ex-Minister of Finance bases his case entirely on the American vessels refusing to come in.

Sir HENRY DRAYTON: Yes.

Mr. LOW: I think I can quote a few figures that will explode any idea that the coming of American vessels into this country during the fall of 1923 had any bearing upon the raising of those rates, if my hon. friend is willing to admit the facts. In 1922, we find that 432 vessels came into this country with cargoes. In 1923, we find that 427 vessels came in, just five less than in the previous year.

Sir HENRY DRAYTON: Let us have the figures for September and October. They are the only figures of any importance.

Mr. LOW: This was between the first of September and the close of navigation.

Sir HENRY DRAYTON: Has the minister the figures for those two months I mentioned?

Mr. LOW: No.

Sir HENRY DRAYTON: That is the only thing of the slightest importance.

Mr. LOW: It simply shows that there was only a difference of five in the number of vessels coming in, in the fall of 1923, as in the fall of 1922.

Sir HENRY DRAYTON: Yes, they all came later on.

Mr. LOW: A difference of five vessels would not make a loss to the farmers of the Canadian Northwest of $5,000,000.

Sir HENRY DRAYTON: Quite true, but that is not the point at all. The point is that in this movement for September and October the boats were not there and the rates were up.

Mr. LOW: The whole point is that the act of last year did not work out the way some hon. members prophesied. There was no congestion at the head of the lakes. More wheat moved during the fall months than moved in any previous fall for many years, and the whole reason why hon. members are arguing as they are to-night is because events did not happen, as they had anticipated.

Mr. CAMPBELL: I was rather surprised to hear the minister state that the act should get credit for the substantial drop in rates towards the latter end of the season.

Mr. LOW: I am arguing to-night that the act of 1923 did not have any effect in raising the rates over the rates of 1922.

Mr. CAMPBELL: It would be a remarkable thing if the rates were raised over 1922, because in 1922 the average rate to Buffalo was $4.49, and in 1921 it was only $2.15, less than half. The year 1922 was one of very exceptional conditions. It was not merely the extra volume of grain handled over the year before, but the amount of ore and other freight carried down the lakes from lake Superior to lake Erie was just about double that handled the previous year. I notice in the scale of rates for last season, in the week ending October 13, the highest rate was 5½ cents and the lowest 4½ cents. That runs up until we come to the week ending October 27, when we find a 6½ cent rate. Then in the next week ending November 3, the rates began to drop a little and we find the rate as low as 3¼ cents.

Mr. LOW: What points?

Mr. CAMPBELL: Fort William to Buffalo. My information is that that was the very week in which the American boats first came in, the week in which this particular legislation was suspended, or an interpretation put on it that meant its suspension. The following week, November 4 to November 10 there was quite an influx of American boats and the rates dropped 2½ cents. In spite of the colder weather the following week, ending November 17, we find a rate as low as 2 cents, and that continues on into the week ending the 24th, when we find a 2 cent rate still in effect, in spite of the colder weather. I think it is quite obvious then that what fixes the rate on the lakes is the amount of competition, and this is largely American. That is determined largely by the amount of freight brought down. Iron ore seems to be the largest commodity handled on the lakes, and I would like to read the figures in millions of tons of the freight handled from lake Superior to lake Erie from 1919 to 1923. The figures are:

Year	Tons
1919	41,000,000
1920	51,000,000
1921	23,000,000
1922	42,000,000
1923	55,000,000

We will notice that there was a substantial increase in the amount of ton freight handled in 1923 over 1922, and this might have some effect on the grain rates, but I would like hon. members to notice that the small amount of ton freight handled in 1921, namely 23,000,000 tons, resulted in an immediate drop in rates on grain. The average price per bushel for delivering our grain from the head of the lakes to Buffalo was as follows:

Year	Cents
1919	3.73
1920	5.70
1921	2.15
1922	4.49
1923	4.42

I have here a chart prepared by the Bureau of Statistics with a line, showing the tonnage of ore handled, and below it, grain rates on the lake, one being the rate to Buffalo and the other the rate to the bay ports. In studying this chart hon. members will note that the line of the grain rates goes up automatically with the line of the ore: that is when the amount of ore increased the rates on grain automatically increased. When the amount of ore decreased the rates went down. So that it seems to me for years back the determining factor in fixing rates on the lake has been competition, and the competition again has been determined by a number of other things, but largely by the quantity of iron ore that is handled.

Mr. LOW: I think I said that ore and coal had an effect on the rates as regards American boats.

Mr. CAMPBELL: I think there is no question about that, so far as the ore is concerned. I am not convinced that coal has any effect on rates at all. Last year the ruling

rate on coal was 45 cents, compared with an average of 80 cents a ton on ore and $1.45 on grain. This would appear to indicate that coal is carried for ballast at less than the usual price. The figures I have before me are too lengthy to weary the House with; but, according to the information I have, I am convinced that the return cargo has little or no effect on rates. A vessel leaving the head of the lakes loaded with grain simply bases her rates on what she can profitably make the return trip on. If she can get a cargo of coal coming back, it is so much to the good; but I think it has no effect whatever on the rates. This leads us to what appears to me to be the solution, and the only practical solution, of the whole question; that is the suspension of the coastal laws. So long as the American vessels are prohibited from taking part in the trade on the lakes, as between Canadian ports we will always have the recurring period of high rates, during which period the farmer is held up. I quite agree with the hon. member for West York (Sir Henry Drayton) that the farmer's price back in the country is based entirely on the prevailing price on the particular day he sells, and not particularly the day on which the grain is shipped. He brings it into the elevator; the price the elevator man pays is based on the rate on that particular day, and it would make very little difference whether there was much grain being shipped in August or September. The rate is the factor that determines the price the farmer receives. As long as these coastal laws are in effect we are going to have these conditions repeatedly. If the government want to face this question courageously they have to suspend these coastal laws. I agree with the ex-Minister of Finance that if the laws were used as a club, and if the government were always prepared to use these laws as a club, it would not be necessary to suspend them at all. Our experience in the past has been that governments never do that. They wait until the harm is done, until the farmer has paid the high rate of the season, and then at the end of the season they permit a few American boats to come in, load up and remain in Canadian ports so that they can go out with the first break up in the spring. That is no suspension of the coastal laws at all. It is simply permitting American vessels to come in, store our grain and save us from storage at the head of the lakes.

Mr. ROBB: Why is it necessary to suspend the coastal laws to allow an American vessel to come in to Fort William and Port Arthur in order to go out in the spring. Why is it necessary to suspend the coastal laws at any time?

Mr. CAMPBELL: Surely the minister does not suggest that an American vessel will come in during August, load up with grain and wait until next spring?

Mr. ROBB: But under our laws, without a suspension of the coastal laws, an American vessel has the right to come in, load grain and ship it to Buffalo, but it has not the right to come in and ship it to a Canadian port.

Mr. CAMPBELL: I quite agree with that, but a large part of our grain goes to bay ports.

Mr. ROBB: My hon. friend said just a moment ago that the government allowed these boats to come in, store the grain in the winter and ship it to American ports in the spring.

Mr. CAMPBELL: I should have said Canadian ports. If they are permitted to load up in the port and remain there until spring, they can take the grain to Port Colborne or any other Canadian port. That is not really a suspension of the coastal laws. I am not sure whether the ex-Minister of Finance (Sir Henry Drayton) is correct or not, but my information is that the so-called suspension of the coastal laws in 1912 was not really a suspension at all. I do not know of one case where the coastal law was really suspended. What the situation calls for it seems to me, is to create competition.

There is another factor in connection with this which I intended to bring up at a later debate, but since the Minister of Railways and Canals (Mr. Graham) is present, I will suggest it to-night. We have an exceptionally low rate on grain all-rail to Halifax and St. John, but that low rate does not prevail to Quebec. I believe if the regular rate, we will say the present rate prevailing in the prairies, commonly called the Crowsnest pass rate applied to the city of Quebec, a large quantity of overflow grain would find its way there. Not only that, but it would immediately establish a maximum rate on the lakes. There is no question about that. We are carrying grain to-day from the head of the lakes, from Goderich, I believe, to Halifax—I am speaking from memory—a distance of about 1,305 miles for 12¼ cents a bushel, but we are charged twenty cents a bushel from Armstrong on the Transcontinental railway to Quebec. That is discrimination of the very worst kind. It looks to me as if that rate was

maintained through the influence of lake shippers, because they know that a reduction to the rate prevailing west of the lakes would immediately establish a rate on the lakes. The government can suspend the coastal laws or use that, as the ex-Minister of Finance says, as a club. If the club is not good enough, they can suspend the coastal laws. Any hon. gentleman who studied the report made last year by the commission appointed to inquire into lake rates, would be convinced of the fact that steamship owners on the lakes are making tremendous profits. The Great Lakes Transportation Company, I think, showed a profit of 11 per cent; but when you write down the value of their investments to the valuation that the commission placed upon them, we find that they made a profit of about 40 per cent. According to the statistics, these vessels were able to carry grain to Buffalo for 2.15 cents a bushel in 1921. Surely they did not require 4.99 cents in 1922 and 4.42 cents in 1923, or more than double. If they made a good dividend in 1921—and their figures show that they made a substantial profit in that year—they must have made enormous profits in 1922 and 1923, and I do not think we should waste any sympathy on them. I would heartily recommend to the government that, first, they reduce the all-rail rate to Quebec to the same mileage rate as the rate basis on the prairies, which is still considerably higher than the rates from the head of the lakes to Halifax and St. John, because those rates are considerably less to-day than what we call the Crowsnest pass rates. In addition to that, they should either suspend the coastal laws in their entirety, or use them, whenever necessary, as a club.

Mr. COOTE: Last year there was a good deal of discussion here in regard to the coastal laws and their suspension, and the statement was repeatedly made that the government in 1922, did not have any power whatever to suspend the coastal laws. I was pleased to-night to hear the Acting Minister of Finance make the statement that they did suspend the coastal shipping laws in 1922. I agree with him in that. I think they did, but I want to point out to the committee just how slow they were in applying the remedy in 1922. As early as July 7 in that year Mr. James Stewart wired to the then Minister of Trade and Commerce asking that the coastal shipping laws should be suspended because he was being charged a higher rate from Fort William to Port Colborne than Canadian vessel owners were charging from Fort William to Buffalo. Mr. Stewart kept on sending wires occasionally to the department. I notice on August 29, he sent the following wire:

J. A. ROBB,
Minister of Trade and Commerce,
Ottawa.

Buffalo now two cents Port Colborne still three and three-quarters. We respectfully ask for suspension coasting laws immediately as American tonnage offered for Port Colborne at two cents. Kindly confirm so as enable Canadian mills compete with Buffalo mills.

A little later on, on September 8, he wired again:

Have had no reply respecting permission load American bottoms for Port Colborne. Combine has already cost us about fifty thousand dollars and respectfully point out we now consider ourselves free use any reasonable method expose and rectify situation.

I do not wish to take up the time of the committee in reading many of these communications, but I have quite a number of them from grain shippers applying to the government for a suspension of these laws. I should like to bring to the attention of the committee a statement made by the Secretary of the Dominion Millers' Association, Mr. C. B. Watts, who, I presume, would be an unprejudiced man in regard to this matter. This is a letter to the Hon. Charles Stewart, Acting Minister of Trade and Commerce, Ottawa, it is dated November 4, 1922:

Possibly you are not aware that as high as eleven cents per bushel is being paid to take wheat from Fort William to bay ports or Goderich a government boat, Pathfinder, having been relet by James Richardson and Sons at this figure, due to load in a few days.

The normal freight this time of the year would be four cents, but the general bid rate now is 8 cents.

Further on in his letter he says:

The extra freight, be it 4 cents, 6 cents, or 7 cents per bushel is that much money taken out of the pockets of the western farmers, or equivalent to over $400,000 to possibly $600,000 or $700,000 on shipments the last week in October alone of 10,910,000 bushels.

Further on he says:

The rail freight from the lake ports to Montreal is only 8⅗ cents per bushel, no less than 17 cents per bushel I know and it is reported that 18½ cents per bushel, has been paid from Buffalo to Montreal by water.

The Minister of Trade and Commerce has just told us that the rates last year in August were one fifth of a cent higher than in 1922, in September, one half of a cent higher, in October, two fifths higher. But in the year 1922 in these very months the government were receiving wires from shippers at Fort William asking for the suspension of the coastal laws. The government apparently thought that they had not the power to suspend the coastal laws in 1922 and they came to parliament last year and got legislation to enable them to do so. But although the rates

were higher in 1923 in these three months than they were in 1922, the government so far as I know did not suspend the coastal laws. These shipping laws are kept on the statute books for the purpose of building up a merchant marine in Canada and I want to quote one paragraph from a letter from the secretary of the Marine and Shippers Association to the minister:

> The coasting law is the only solid foundation on which the shipbuilding industry of Canada rests. Destroy confidence in it and you prevent investments in Canadian ships. Without a rigid coasting law to parallel that of the United States Canadian tonnage would have to take the only means open to it to enjoy equal rights with that of the United States and no more building would take place in Canada.

James Whelan, president of the Port Arthur Shipbuilding Company, in a letter to the government at the time when there was some talk of suspending the coastal shipping laws says:

> Looking to the future we are justified in anticipating a large expansion in the Canadian West with future crops constantly increasing far beyond the amount of the present bumper one.

Although they had a bumper crop to handle in 1922 the Canadian producer was being robbed as was pointed out in Mr. Watt's letter to the government. The government sat here apparently thinking they had no power to act although I find in some correspondence I have here that in November they did allow the American boats to load wheat and bring it down the lakes on their last trip. I urge the minister to remove the coastal shipping law from the statute books because it has been abused shamefully by the ship owners. It has been retained in the belief that it would build up a Canadian shipbuilding industry, and the owners of Canadian shipping and those engaged in the industry have used their power to bleed the Canadian producer. I do not think that term is at all too strong, and if this coastal shipping law has been abused in that way the proper thing is to abolish it. According to a pamphlet issued by the Toronto Board of Trade about 50 per cent of the money invested in the Canadian shipping industry is American capital. So that apparently we are bleeding ourselves for the benefit of these American millionaires. The farmers are getting tired of this sort of thing and it is not to be wondered at. If the government had done their duty in 1922 and promptly suspended the coastal shipping law when asked to do so by Mr. Stewart possibly there would not now be so much agitation for the abrogation of that law and there would not be all this discussion to-night. The suspension of that law in the summer of 1922 would have brought the Canadian ship owners to their senses and taught them that there is some authority in Canada over them.

I think the minister deserves some credit for the action he took last fall when he found that the legislation which had been enacted was not effective. Either he, or the Board of Grain Commissioners is to be commended, whoever it may be that took the action, in endeavouring to circumvent that legislation. I think the first mistake last year on the part of the government was the failure to promptly suspend the coastal shipping law. But when it was attempted to regulate this shipping combine by making the shippers file their tariffs the government should have confined that legislation to Canadian vessels. Had that been done they would not have got into the trouble in which they found themselves, as I understand that the American owners of vessels would have come in and carried grain to Buffalo if they had not been asked to file their tariffs.

Mr. LOW: Would not that have been a discrimination against the Canadian shipowners?

Mr. COOTE: It might possibly be called a discrimination, but we are suffering from discrimination now on the part of Canadian vessel owners, because Canadian vessel owners carried grain in 1922 from Fort William to American ports at a cheaper rate than they would carry it to Canadian ports.

Mr. LOW: The object was to get the Americans as well as the Canadians to publish their tariffs, and there was nothing wrong in that. It is true that the provision has not worked out as we expected but it was considered at the time advisable. I asked the chairman of the board to put the broadest interpretation he could on the act—

Sir HENRY DRAYTON: In other words, to say that black was white.

Mr. LOW:—and to write and let me know what his views were and he told me that it was quite proper under the act to ask the shipper to file the information which we required. It did not matter where we got the information if we got it.

Mr. COOTE: That may possibly be all true but if this legislation passed a year ago had applied only to Canadian vessels the Americans would have come in and we should not have suffered from these high rates which were charged in August, September and October of last year. I am glad that the minister and his board did place the broadest

interpretation they could on the act and that they did the best they could at the time. I still think, however, that the legislation of last year was faulty and I believe that while we are dealing with this legislation we should take every means possible to get it right. If the minister wants to have the tariffs submitted, he should compel not the shipper but the Canadian ship owner to furnish the necessary information. We are protecting the Canadian ship owner with the coastal law and apparently the government will not be in any hurry to suspend it.

Mr. LOW: The Americans were required to give their tariffs as well as the Canadians.

Mr. COOTE: I think there is considerable force in the argument of some hon. members to my right that the minister is asking the wrong man to file it, and if the penalty clause is invoked and the shipper is fined we shall have a peculiar situation to say the least. It is because of that that I suggest to the minister, if he persists in this corrective legislation which is made necessary because of the coastal law, that it is better to compel the ship owner to file the tariff.

Mr. LOW: Then we are getting only half the information we require. The Americans will come in and not be subject to the same regulations. Is it right to ask the Canadian vessel owners to do something which we are not asking the foreigner to do?

Mr. COOTE: You are allowing the Canadian ship owner now to do something which you will not allow the foreign ship owner to do; you are allowing him to carry grain to Canadian ports but not allowing the American ship owners to bring grain to Canadian ports. So that the discrimination against the Canadian ship owner which the minister suggests is more than offset by the privilege which the Canadian ship owners enjoy. If the minister thinks this legislation compelling the filing of rates is necessary, I am not going to labour the point at all.

Mr. MILLAR: I will not say offhand that the member for Vancouver Centre (Mr. Stevens) and the member for Marquette (Mr. Crerar) were wrong in the point they raised, but I very reluctantly accept their attitude towards publishing rates on the Great Lakes. Sometimes the farmer is urged to be businesslike, to keep in touch with the world's markets, to know the cost of carrying his grain, so he will know what his grain is worth when he is selling it. I believe that is sound advice. But how is the farmer to know what his grain is worth if he does not know the cost of carrying it to Liverpool?

Mr. LOW: The rates will be posted.

Sir HENRY DRAYTON: Oh no, that is done away with under this amendment.

Mr. MILLAR: That is the very point which the member for Marquette and the member for Vancouver Centre objected to. I think they argued it would be unfair. Apparently they did not object to the publication of the higher rates,—what they termed the regular rates. That is, it is all right for the farmer to know the higher rates, but if his grain is being carried for two or three cents less he must not know that.

Mr. STEVENS: May I make my position clear? I object to the shipper, the individual who buys this space and ships his grain, being compelled to file rates. I do not object to the ship owner or carrier being compelled to do so.

Mr. MILLAR: I am very glad the member for Vancouver Centre takes that stand. He has no objection to the farmer knowing from day to day if necessary, the cost of carrying grain across the Great Lakes.

Mr. STEVENS: No.

Mr. MILLAR: That I believe is advisable. But since it is admitted by the hon. member I will not carry the point any further. Another defect in the proposed bill is this. As I understand the minister, he expects that the Board of Grain Commissioners will from time to time get information from the shippers of the charters they have made, and on that information they will base their action if the rates seem to them to be too high. As we heard, men make a practice of engaging space, not intending to use it themselves, but to resell it at a profit. Now, as I understand this proposed legislation, is it not possible that there will be a missing link, that the carriers might not be charging too much, although the shippers might be paying too much, and the Board of Grain Commissioners, in theory at least, might too hastily penalize the carriers whereas they might not be to blame? Is it not necessary to know exactly what the carriers are charging? Is not that the important information?

Mr. LOW: That is the information we will have.

Mr. STEVENS: No, not necessarily.

Mr. LOW: Yes, certainly; it is the contract made with the vessel owner.

Mr. STEVENS: No, it is the rate paid by the shipper, whether he purchases from the agent or from the vessel owner. There might be two or three intermediaries.

Mr. LOW: The information will be published anyway.

Mr. STEVENS: Not under this resolution.

Mr. SALES: Not unless you insert here after "every ship—including a corporation—" the words "or broker."

Mr. LOW: When the bill is completed it will provide for the posting of rates.

Mr. STEVENS: What rates?

Mr. LOW: The information rates supplied by the shippers.

Mr. STEVENS: That information is perfectly useless.

Mr. LOW: A copy of the contract made with the vessel owner.

Mr. MILLAR: I think the minister misses my point.

Mr. LOW: No, I do not.

Mr. MILLAR: Let me try to make it plainer. A contracts for space on a boat; he turns round and sells that space to B, who is the real shipper. B must post the rates with the Board of Grain Commissioners. But what about the rates that A has received?

Mr. STEVENS: And made a profit on?

Mr. MILLAR: Yes, he may have made a big profit.

Mr. LOW: If he makes a contract with the vessel owner it will be published.

Mr. STEVENS: Not under this resolution.

Mr. LOW: If not, we will try to cover it, and will be glad to receive any suggestions from hon. members to that end. We desire to make the bill effective.

Mr. SALES: The member for Qu'Appelle (Mr. Millar) raised a very important point. In the return to an order of the House of March 24, 1924, is contained a telegram from Mr. A. E. R. Schneider of the Cleveland Cliffs Iron Company, in which he replies to the secretary of the grain commissioners to the following effect:

Believe American vessel owners will object filing tariffs in accordance with provisions section 3 but see no objection filing copy of charter, personally believe charter should be filed with hopes this will expose and stop speculation on part of vessel brokers who are responsible to neither grain shipper or vessel owner and who have done tremendous harm to vessel interests, some of these vessel brokers not being satisfied with their proportion of about half million dollars a year on insurance, commissions and charter fees try and scalp the market on rates, this is pernicious practice and should be stopped, charters can be made between vessel owners and grain shippers direct in which case both are responsible to each other and any default on either side can be properly taken care of.

If the word "broker" is inserted as I have suggested, we will have the original charter between the vessel owner and the first party filed; then we will have the full information. Unless that is done the pernicious practice which this gentleman complains of will continue and we will not know what the man between is getting, and the minister's object will not be accomplished. I am bound to say that, like my friend from Macleod (Mr. Coote), I have a little sympathy with the minister in what he tried to do last fall. He had rather a lawless gang to deal with. We are trying to pay interest on a lot of watered stock in some of our steamship companies. Last week I happened to be on a visit to Kingston, and I saw a lot of old boats tied up there—I see the hon. member for Kingston (Mr. Ross) is in his place—and I asked: "What are these?" The answer was, "This is the graveyard of one of our lake steamship companies." One of the steamship companies, Mr. Chairman, out of which one of those men is reported to have made about $5,000,000. We are trying to pay interest on watered stock by way of those exceedingly high rates.

Mr. COOTE: And we are doing it.

Mr. SALES: Yes, we are doing it by paying these exceedingly high rates charged on our lake shipping by a lawless gang. I think it must be admitted that the minister had a rather hard task to handle that gang. I find on reading this return that the minister corresponded with American vessel owners with a view to chartering vessels in September. I do not blame him for overriding his laws.

Sir HENRY DRAYTON: Quite right.

Mr. SALES: I do not blame the late government for suspending the coasting laws.

Sir HENRY DRAYTON: That was doing the right thing.

Mr. SALES: Was not this doing the right thing?

Sir HENRY DRAYTON: I quite admit that if parliament makes an idiot of itself it should be put right at the earliest possible moment.

Mr SALES: I remember the Minister of Railways (Mr. Graham) using a very striking phrase; he said, "The man who does not make mistakes does not do anything; he is dead."

Sir HENRY DRAYTON: I am quite sure that this government is very much alive, if that is the test. They do nothing else but make mistakes.

Mr. GRAHAM: I am sorry I cannot return the compliment.

Mr. SALES: They freely admit to-night that the legislation was not effective.

An hon. MEMBER: Not "freely."

Mr. STEVENS: If they freely admitted it we would admire them.

Mr. SALES: The Minister of Trade and Commerce (Mr. Low) will get freer as he gains experience, and if he is going to do anything effective he will make mistakes occasionally.

Mr. STEVENS: But his predecessor made the blunder.

Mr. SALES: I was in the House at the time, and I thought it was an honest endeavour to meet the situation. But the minister had a very awkward task on his hands and I think he showed considerable firmness and a determination that these rates were to come down one way or another. I am bound to admit, with my hon. friend (Mr. Coote) that the government in 1922 should have suspended the coastal laws. They were asked often enough to suspend them and I do not know why they did not do it. If they would say to-night that at any time when there is a discrimination of half a cent a bushel—because that is as much discrimination as should be allowed between the rates of the Canadian and the American steamships—they will immediately suspend the coastal laws, I think my hon. friends here and our farmers in the west would be satisfied and that the suggestion would act as a very effective club. There would be no hesitation or wondering about it; it would be an effective way of securing action should that discrimination occur.

Mr. McBRIDE: I have been in the steamboat business now for nearly twenty years, but after listening to what has been said here to-night I am commencing to think that I do not know anything about steamboats. I suggest that the government charter a number of the steamers that they have in the Canadian Government Merchant Marine to these prairie farmers who are so anxious to get into the steamboat business and give them a chance to demonstrate that they can put them on a paying basis. If they are sincere in what they say and can manage steamboats as well as their remarks would seem to indicate, why should they not take that proposition over? I do not see why we should have ships of the merchant marine which cost this country so many millions of dollars lying idle when there is a body of people so anxious to get into the steamboat business.

A great deal has been said about the coastal laws, and hon. members advocate their suspension. How would that work out? Will the Americans abolish their coastal laws? Not by any means. You cannot run a Canadian steamer from one American port to another American port; at least, you cannot do it on the Pacific coast. If the Canadian coastal laws were suspended, it would mean that the Americans would run their boats between their own ports when they could get a good revenue by so doing, and when work was slack they could switch over and run our Canadian boats out of business. There is no question about it; if the Americans keep their coastal laws in force we have got to keep ours. If some of those men who are talking so much about the steamboat business went into it they would soon get sick of their job, a great deal sicker than they are of raising wheat.

Mr. SALES: Impossible!

Mr. McBRIDE: Running a boat on the lakes is entirely different from running a boat on the ocean. You have got to figure your interest, your depreciation, your insurance, with respect to the running of the boats during the open season; the rest of the year they have to be tied up.

Mr. SALES: May I ask the hon. gentleman a question?

Mr. McBRIDE: Why, certainly.

Mr. SALES: What experience has he had in running boats on the lakes?

Mr. McBRIDE: Running steamboats on the lakes and running them on the coast is the same thing; a steamboat is a steamboat no matter where it is run. I might say not only have I constructed steamers but I have operated them. I do not claim to know all about the business but I do claim to know a little and I can assure you there is not the money in steamboat work that some people think there is; it certainly takes a great deal of capital to build boats. This

government, I think, knows that from past experience. Let these men who talk so glibly about the steamship business take some of the boats of the merchant marine. I suggest to the Minister of Railways that he give them a good charter; that he let my hon. friends have some of these boats for, say, a thousand dollars a year, provided that they keep them in proper repair and insure them, and give these gentlemen a chance.

Mr. GRAHAM: Carried.

Mr. McBRIDE: Now I would suggest to you gentlemen who know so much about steamboats that you take up the business try it and see what the results are.

Mr. ROSS (Kingston): A reference has been made to boats at Kingston, and I would not like the hon. gentleman who made that reference to think that those boats were fit for service. Kingston has a very good harbour, to which unserviceable boats can be brought in the fall, put on the beach and left there. The boats that the hon. gentleman saw during the course of his pleasant trip to Kingston and down the river were not serviceable boats. I do not think he could get the impression that they were. When this great combine that he speaks about was formed there was more money in the United States than there was in Canada and the best boats in the Canadian service were bought at that time by the American interests—and I am not going to say that some person did not make some profit. Anyway, these boats passed into the American service.

The trouble at present in regard to carrying grain is this: We may have sufficient Canadian bottoms to carry what grain may go from Canadian ports to Canadian ports, but those boats could not by any means handle the grain passing from a Canadian port to an American port, therefore we are bound to use the American boats. The act which came into force last year and to which I referred in my address previously, was an act which was introduced by the present government without any reference to the companies or any person else connected with the service, and the result was that there were bad points in it which could have been avoided had the government taken the proper course. After the act was passed the government went into consultation with the representatives of the steamship companies and told them that the time had now come when they were going to make them "eat crow," and the American steamship owners left them without a service. I am not going to find fault with the government for upsetting that law, but I think they made a mistake in not doing it sooner. If there was not the expected congestion in regard to this transportation of wheat it was because the people did not buy the wheat, being afraid they would not be able to get the service. If the government had earlier seen the mistake they made and had attempted to rectify it, I do not think there would have been any increase in rates. Once they realized they had made a mistake after the rate pressure got upon them from Winnipeg, they got the benefit of cheaper rates. I for one would not find fault with breaking the law. They did not do it soon enough in my opinion. I think we should do away with the whole thing now, and I think we would get a better service.

Mr. SALES: Irrespective of the coasting law?

Mr. ROSS (Kingston): Do what you like about that. That is something you have in your hands and can make use of if necessary, but I do not think the act passed last year or this amendment will be any good.

Mr. COOTE: I would like to point out to the committee that the coastal shipping law does possibly more harm than the high tariff. We had a good deal of discussion in this House the other night in regard to shipping Canadian wheat from Halifax and St. John. Let me now read a letter from one of the biggest grain firms in Canada, which shows that this coastal shipping law is driving our wheat to the United States, so that it cannot get to Halifax and St. John. It is from James Carruthers and Company, Limited, and is addressed to the Department of Trade and Commerce, Ottawa. It is dated November 30, 1922:

> Yours of the 28th to hand and note all you say about the suspension of the coasting law in reference to American vessels to load grain in Fort William for winter storage.
>
> There has been so much delay in getting this matter fixed up—

That is, negotiations had gone on from July to November.

> —we don't believe there will be any American boats load cargoes of Manitoba wheat this year for Canadian ports as shippers could not ascertain just what the ruling was and according to the wires we received from Winnipeg there have been no charters made, in fact nearly all the cargoes are going to Buffalo and other American ports.
>
> It is too bad this matter was not settled some time ago as it would have enabled us to bring more wheat to Canadian ports and we would have been able to ship it out during the winter months from St. John and Portland.

That is what goes on every year, because we have not enough Canadian boats to carry our Canadian grain down the lakes. Approximately 50 per cent of it must go to American ports, chiefly Buffalo, and then through American ports on the Atlantic seaboard. Once it gets to Buffalo it will never get to St. John or Halifax; it is physically impossible, and that fact must be remembered when considering the coastal shipping law.

Now just one or two remarks in regard to the speech which has been made by the hon. member for Cariboo (Mr. McBride). First of all, I would like to suggest to the Minister of Railways that he should get into consultation with the hon. member for Cariboo, and possibly he could induce him to manage the Canadian Government Merchant Marine, so that it would show no further losses. It is too late an hour for us to enter into 11 p.m. any discussion of the profits which the ship owners on the Great lakes made in the year 1922, but those profits could, I think, quite properly be called unholy profits. They were profits altogether unheard of before in the shipping business. This shipping combine which bled us in 1922, and again I think in 1923, was one of the worst combines that ever existed in Canada, and I do hope that the minister, if he will not suspend the coasting shipping law, will devise some legislation to control this combine, but I repeat, he will not handle it effectively unless he suspends the coasting shipping law. We have monkeyed with these shippers long enough. They have had their chances to bleed us and they can now stand a little American competition. At one time it was the proud boast of British sailors that they could compete with the world, but apparently our Canadian sailors are not made of that kind of stuff, and they must have this kind of protection.

Mr. LOW: I would just like to say a word in reply to the ex-Minister of Finance, who has spoken frequently of the shipments to Duluth. During the year 1922-1923 we had the largest quantity of grain in any year since 1917-1918. My hon. friend says the rates were higher because of a lack of boats to ship the grain, particularly to the port of Duluth, and yet we shipped to Duluth more grain in that year than in any of the previous seven years.

Sir HENRY DRAYTON: My hon. friend is a little mixed. We do not ship to Duluth, but to Buffalo.

Mr. LOW: My hon. friend quoted Duluth time and again.

Sir HENRY DRAYTON: What I was doing was this, and surely everybody knows it except my hon. friend. The usual rate Fort William-Buffalo corresponds to Duluth-Buffalo; that is the usual thing, but—and I will say this again to my hon. friend, because he has evidently not followed what has been said this evening—by reason of the fact that the American boats could not get into Fort William, their rates, which were practically the same, were almost doubled out of Fort William; that is the Fort William rate was just twice as much as Duluth. I did not say there was no movement. Good Lord, there was movement; I have shown it. The wheat was there and it had to be moved, and the movement took place, and unfortunately there was a direct loss of $3,100,000 to the Canadian grower, on the lowest possible computation.

Mr. GRAHAM: This is a very important matter and there are a few things I was going to say, but I shall defer my remarks for the present. Is it not possible that we could now let this resolution pass so that the bill may be introduced?

Sir HENRY DRAYTON: Carried.

Resolution reported, read the second time and concurred in. Mr. Low thereupon moved for leave to introduce Bill No. 213, to amend the Inland Water Freight Rates Act, 1923.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS ACT, 1919, AMENDMENT

The House in committee on Bill No. 190, to amend the Canadian National Railways Act, 1919.

On section 1—Guarantee only on authorized issues.

Mr. GRAHAM: Some days ago we discussed this bill, and after full consideration we decided to drop the following paragraph in section 1:

(4) Nothing herein contained shall be taken to authorize the guarantee of any securities the issue of which has not been authorized by this act or some other act of parliament.

The question was raised whether that subsection did not give the Canadian National Railway Company a power which we did not intend to give them. To make sure, for the present at least we wish to drop this section. We are dropping this subsection and section 2 will become section 1.

Sir HENRY DRAYTON: That would leave the bill without much introduction. You had better follow the usual form and say, "This act may be cited as the Canadian National Railway Guarantee Act of 1924."

Mr. GRAHAM: Very well.

Amendment agreed to.

Bill as amended reported, read the third time and passed.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior) moved the second reading of Bill No. 187 to amend the Dominion Lands Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Pelletier in the chair.

On Section 1—Rights of way across school lands.

Mr. GARLAND (Bow River): I would like the minister to explain this bill.

Mr. STEWART (Argenteuil): The amendment is as set out in the section here. It is confined entirely to giving the privilege of selling school lands for the purpose outlined in the amended section. Formerly we only had the privilege of selling school lands for school sites. If other portions of the school lands were to be sold, they were sold under the provision of the act, and had to be advertised and sold by public auction. We have the consent of the governments of the three prairie provinces to this amendment to the Dominion Lands Act. We are acting as trustees for school lands. The western provinces are vitally interested in anything that is done with school lands.

Mr. GARLAND (Bow River): The act states that the school lands may be sold at a price to be fixed by an officer of the department. Will there be any regulations governing the price? Just on what basis will the price be set?

Mr. STEWART (Argenteuil): In case the lands are to be sold by public auction, an upset price is fixed by the valuator before the sale is undertaken, and that upset price is published on the day of the sale and made accessible to bidders. The lands are never sold below that upset price. The same process would be followed here by the officers of the department to fix the price of these lands for sale in this way. It is simply to enable the department to deal more expeditiously with applications for the various purposes set out in the act and for no other. We are confined to those purposes. For example in many cases I receive applications for sand and gravel. Those are not included, and I did not think it was necessary to include them. I put nothing in here except cases of frequent occurrence. There is always that difficulty about the disposition of these lands, unless it be for school purposes, and we have the authority to sell for school purposes.

Mr. STEVENS: Under this section you would have authority to sell the right of way for a railway, a tram line or an electric or telephone pole wire, or any other right of way, or easement, or for any project, or for a reservoir, church, cemetery or hospital site. That is a pretty wide power.

Mr. STEWART (Argenteuil): No. The section reads:

(4) 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, 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.

Mr. STEVENS: I am questioning the advisability of passing legislation authorizing an officer of the department to sell school lands for a right of way or for any such purpose. That I call in question. I do not know whether the rest of it is as objectionable. For instance, as regards a church, cemetery or hospital, I do not see so much objection, although I cannot see any objection to the minister calling for tenders for such lands in order to get a reasonable price. This lends itself to what I might term serious errors, if not worse.

Mr. MEIGHEN: What was the method before? We did not have to sell everything by auction.

Mr. STEWART (Argenteuil): Everything except sites for public schools.

Mr. MEIGHEN: Or churches.

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: I think some plan was effected whereby the auction could be got over in the case of small acreages for cemeteries.

Mr. STEWART (Argenteuil): Cemeteries, sand pits, churches.

Mr. MEIGHEN: Was a method not arranged to get over it for small acreages for

those purposes by the province appointing a valuator and the Dominion appointing a valuator to arrive at a basis that was suitable to both? I am pretty sure that I made that arrangement.

Mr. STEWART (Argenteuil): I have no knowledge of it if my right hon. friend did so. It is not in the statutes.

Mr. MEIGHEN: It would not be of value if it was not in the statutes. Perhaps I am thinking of something else, but I had a recollection of that and I never ran against this difficulty. How is it coming up now?

Mr. STEWART (Argenteuil): I am quite prepared to strike out the provision as to the right of way to which my hon. friend objects, but it arose chiefly over the purchase of a right of way for the reservoir line built from the Lake of the Woods to Winnipeg. It crossed a number of school sections and they had a good deal of difficulty. I can quite conceive, however, in connection with a project like that for a railway that, perhaps, it is just as well that the statute does not provide for giving control to the minister, and I am willing to strike that out. If a small site is required for a church, there is, of course, no competition, and the same is the case as regards a school site or a cemetery site. These are the only sites that I am interested in having added to the list that the minister may deal with.

Mr. MEIGHEN: How is the school site dealt with? By valuation?

Mr. STEWART (Argenteuil): In the same way, but the valuation is made by an officer of the department, which valuation fixes the upset price of the sale. I move to strike out the words "as right of way for any project or"—

Mr. BAXTER: I see the note on the opposite page reads:

> There is no way in which strips of land across school lands required as rights of way for drainage, irrigation, pipe line, reservoir or other projects.

Just leaving the other projects out, would it not be as well for the minister to substitute at least a right of way for water supplies or drainage? There would not be much use in building a reservoir if there was not a pipe to draw the water out.

Mr. STEWART (Argenteuil): I am not anxious to take power to deal with what would involve the crossing of half a dozen sections of land, school lands for example, without consultation, at least, with the provincial authorities or the actual owners of the land.

Mr. MEIGHEN: That is the only objection. For the small parcels, this is all right.

Mr. STEWART (Argenteuil): What we want to deal with is those little acreages of land required for such purposes. The other matter can be one of agreement between the federal government and the provinces.

Mr. BAXTER: The only thing I thought was that the limitation that was suggested was a little too narrow and that it would leave the bill up in the air. If the minister wants this for reservoir purposes, he would get it for reservoir purposes, but he would be deprived of any outlet for his reservoir. He might just as well get a pipe for the reservoir, or not build the reservoir at all.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

On motion of Mr. Graham the House adjourned at 11.25 p.m.

Monday, June 30, 1924

The House met at three o'clock.

SELECT STANDING COMMITTEES

NATIONAL RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo): I beg to present the third report of the select standing committee on National Railways and Shipping as follows:

> Your committee have considered item 137 of the Estimates for the fiscal year ending March 31, 1925, viz., loans to Canadian National Railway Company, $56,000,000, and have approved of the said item.
>
> Your committee recommend that 500 copies of the proceedings and evidence taken should be printed, and that rule 74 should be suspended in connection therewith.

I beg to move that this report be concurred in. I might say that, as regards printing, it was stated merely that 500 copies should be printed and, through an oversight, it was not stated how many should be in English and how many in French. I might suggest that 350 of those be in English and 150 in French.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The main part of the report is the recommendation of a large sum of money as a proper vote for the National Railways. I would think the report should have been presented in two parts, this one left apart from the rest. Surely it is not the intention of the House, on the mere report of a committee, to put itself on record as approving a vote of many millions of dollars.

Mr. EULER: In the reference to the committee it is destinctly stated that nothing done shall interfere with the right of the House tc a full debate on the estimate.

Mr. MEIGHEN: That is very good. But if the House adopts the report, the House is on record. There is no use in our going on record two ways. I think that part of the report should not be subject to adoption at all.

Mr. GRAHAM: There is that difficulty in it. I am inclined to think that the portion of the report in regard to the vote might be adopted, if it is necessary to adopt it, after the committee of the whole passes on the item. It is awkward to bring in a report and not adopt it.

Mr. MEIGHEN: There is no need of adopting it. We have it before us when we come into committee of the whole.

Mr. EULER: Would it be acceptable if the first part of the report was struck out? We would like to have authority to print.

Sir HENRY DRAYTON: That is as regards printing—yes, that is all right.

Motion as amended agreed to.

OFFICIAL REPORT OF DEBATES

Mr. G. H. BOIVIN (Shefford): I beg to present the first report of the select standing committee to supervise the official report of Debates as follows:

Your committee have had referred to them for consideration a communication from the King's Printer, submitting the proposed scale of rates hereto appended to be charged for the printing of special editions of speeches of members in the House of Commons.

Your committee have also considered a report from the Printing bureau showing a net loss to the government in the printing of said special editions of speeches at present rates.

Your committee, realizing in view of the increased cost of paper, the necessity of making a slight increase in the rates for the printing of said speeches, recommend that the rates set forth in the scale hereto annexed be approved, said rates to take effect at the opening of the next session of parliament and remain in force until otherwise ordered by the House. (The scale of rates referred to will be found in the Votes and Proceedings of this date.)

Your committee have had under consideration certain irregularities in the distribution of the unrevised edition of the debates to the members of the House of Commons owing to the absence of any fixed rule adopted by your committee and approved by the House.

Your committee recommend that beginning with the opening of the next session of parliament and until otherwise ordered by the House, each member of the House of Commons be supplied without charge with ten copies of the unrevised edition of the debates, four of said copies to be delivered, as at present, and six of said copies and no more to be mailed by the King's Printer to any six persons, companies, corporations or institutions within Canada, whose names and addresses shall be supplied by such member to the Clerk of the Debates committee.

Your committee have had under consideration certain recommendations providing for a wider and more general distribution of the unrevised editions of Debates at the actual cost of the extra printing, paper, binding and mailing, which has been ascertained to be approximately three dollars per session.

Your committee recommend that the required steps be taken by the proper officers to inform the general public that the said unrevised edition of the debates is available to subscribers, and will be mailed to them daily, upon application to the King's Printer, at the said rate of three dollars per session.

Your committee took up for consideration and report certain matters concerning Hansard which were recently discussed in the House of Commons without formal reference to your committee, but doubt was expressed concerning the powers of your committee to deal with and report upon said matters.

Your committee, therefore, recommend that they be given power to consider the following questions and report their opinion thereon to the House, viz:—

1. Whether Hansard should be a record of debates only, containing such items of the proceedings of the House as may be necessary to make the report of the debates intelligible, or whether it should contain all of the proceedings of the House and of the Committee of the Whole House as well as the record of debates.

2. Whether it is desirable, in the interests of economy of time, labour and expense, that the report of the debates in Hansard should be limited to such speeches as may be delivered when Mr. Speaker is in the Chair, with or without a brief report of proceedings in committee.

3. Whether it is desirable to make Hansard an official record of all the proceedings of the House of Commons, as well as a record of the debates.

The whole respectfully submitted.

GEO. H. BOIVIN,
Chairman.

JOINT COMMITTEE ON PRINTING

Mr. BOIVIN for Mr. GAUVREAU (Translation): moved that the fourth report of the Joint Committee of the Senate and the House of Commons on Printing be concurred in.

Mr. SPEAKER: As far as I remember this report has reference to the Baker Memorial ceremonial which took place in the early part of the session, and recommended the printing of the speeches.

Motion agreed to.

MARINE AND FISHERIES

Mr. WILLIAM DUFF (Lunenburg): I beg to present the third report of the select standing committee on Marine and Fisheries as follows:

Your committee recommend that for the season of 1925 a further reduction of 15 per cent be made on all commercial fishing licenses issued to other than white fishermen and Indians in British Columbia, and also that, owing to the lateness of the season, and the very small catch of lobsters, around the coast of Prince Edward Island and the northern part of Nova Scotia some extension be made to the season this year.

I move that this report be adopted.

Mr. MEIGHEN: I am not an expert in these matters, but I notice that the report contains a recommendation for the extension of the lobster season, and I know that that is very important.

Mr. DUFF: It has been extended.

Mr. MEIGHEN: The government seems to be marching along the autocratic road rapidly.

Mr. MARCIL (Bonaventure): Does that extension include the province of Quebec, or only the Maritime provinces?

Mr. DUFF: There are several districts, and this extension only applies to the northern shore of Nova Scotia and Prince Edward Island. It does not include Quebec.

Mr. MICHAUD: Nor New Brunswick.

Mr. DUFF: Part of New Brunswick.

Mr. MICHAUD: What part?

Mr. BAXTER: Has any consideration been given to the southern shore of New Brunswick? In this case I took up the matter with Mr. Found, the very efficient overseer, and presented the petition of the fishermen from Chance and Dipper harbours, asking for an extension of the season. Mr. Found did not see his way to recommend it, and I understood he considered the policy of including extensions was too general. My hon. friend informs me now that in a portion of his own province they have been successful in getting some extension. Will that policy be generous enough to include other parts of the Maritime provinces?

Mr. SPEAKER: This matter will stand. The motion can be adopted at this stage only by unanimous consent.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): An announcement appeared in the press this morning that the government had made a settlement with the strikers. Would the minister say whether this is correct or not, and if so would he tell us what the terms are?

Hon. CHARLES STEWART (Argenteuil, Acting Postmaster General): I have an announcement to make to the House, as follows:

On Sunday afternoon the striking employees at Toronto and Windsor, were permitted to return, each individually signing on under the terms offered by the government. The statement signed was as follows:

I agree to resume duty unconditionally as a postal helper on the post office staff.

As soon as the service is normal, arrangements will be made to adjust the staff to the number of positions available. No payment will be made to the employees for the time they were out on strike.

In order to clear up misunderstandings on account of what appeared in the press announcement this morning, I think it well to make a further statement, as follows:

So that there shall be no misunderstanding it is desired to state that no special offer was made in regard to a sub-committee, as reported in some of the newspapers. The only offer made by the government, and which referred to employees actually on duty, was that contained in a letter from myself as Acting Postmaster General, dated June 18, 1924, to Mr. Archer, Secretary, Canadian Federation of Postal Employees, reading as follows:

When the Civil Service Commission has submitted its report upon the salaries of the entire service, opportunity will be given to the representatives of the employees in the postal department, or in other departments of the government, who have objections to file against the salary revision proposed by the government, and to discuss such matters of difference as fully as may be necessary to ensure a thorough understanding, and, it is hoped, a final and satisfactory agreement on the points in dispute.

Mr. MEIGHEN: Will the minister give us any explanation of the grossly exaggerated reports in the press to-day?

Mr. STEWART (Argenteuil): I cannot. I gave out no reports, and I have no knowledge of how they were given out. All I want to do is to make clear to the House this statement on behalf of the government.

Mr. SPENCE: Is the minister thoroughly satisfied that these strikers understand they will get no pay for the days they have been off. There seems to be a misunderstanding.

Mr. STEWART (Argenteuil): I cannot say as to that. I know that the instructions from Ottawa were very definite.

Mr. SPENCE: That is the minister's understanding?

Mr. STEWART (Argenteuil): Yes.

THE ALTERNATIVE VOTE

Mr. W. J. WARD (Dauphin): In view of the large number of inquiries coming to members in this section of the House with reference to the bill regarding the single transferable vote, is the government prepared to give a specific answer to the question which the hon. member for Brandon (Mr. Forke) asked as to when they expected to bring in a bill dealing with that matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The bill is before the House at the present time. I mentioned the

other day that there had been no decision that the bill would not be proceeded with. If such a decision is reached it will be announced as soon as it is made, but up to the present time no decision has been arrived at.

UNITED CHURCH OF CANADA

The House resumed from June 27 consideration in committee of Bill No. 47 to incorporate the United Church of Canada—Mr. Forke—Mr. Gordon in the chair.

The CHAIRMAN: When the committee rose we were considering an amendment moved by the hon. member for Lunenburg (Mr. Duff) to section 10 (a). The amendment was, to add thereto, in the 33rd line after the word "thereat" the words "or by ballot under the provisions of schedule D." A copy of schedule D is said to be on the desk of each member of the House. The question is on the amendment.

Mr. GUTHRIE: This point was discussed to some extent on Friday afternoon last, and I entertained a hope that in the interval the hon. gentleman (Mr. Forke) who is promoting this bill would see the reasonableness of the request of the hon. member for Lunenburg (Mr. Duff) and agree to the amendment, if not in its exact terms then to a properly drawn amendment that would carry out the intention of the mover. As regards its drafting, the amendment is of sufficient consequence to enlist the services of the law clerk of this House. What we all want is as perfect a bill as possible. I realize that in the drafting of this amendment there may be some difficulties which will require skilled draftsmanship to overcome, but the principle, I submit, should be adopted. We can then leave the drafting over probably until to-morrow or next day, and pass the bill. Apart from this clause, I doubt if there is any other contentious clause in the bill. The principle has now been accepted, and the bill might go through. But this clause is vitally important. The clause as drawn provides that non-concurring congregations shall attend at a church meeting and there decide whether they are to continue their existence as such church, or merge in the union body; and, as was pointed out by the member for Lunenburg, there would be a large proportion of the membership of each individual church not in attendance at that meeting, and consequently those members would be deprived of a vote.

What strikes me as most important is that when this question was twice submitted to the Presbyterian church,—as I know; I do not know how it was submitted to the other churches—it was on both occasions submitted by ballot. Members of the church could deposit their ballots during the course of a couple of weeks with the proper authorities, and those votes were counted. That is the method adopted by the church itself. Now when it comes to the vital point whether action shall be taken one way or the other, the bill takes away the right to vote by ballot and compels attendance at that particular church meeting. What will be the result? A large number of those who have to be away from home from time to time during the week or during the month will not be entitled to vote; that class embraces railway men, lumbermen, fishermen, travellers, students—a large number in our community are attending the universities—the sick, the aged and the infirm. The bill proposes to practically deprive all these classes of a vote upon this important question. When the matter was up on Friday last I tried to elicit from hon. members who support this bill some valid reason why the clause should be adopted. In my judgment none was forthcoming. The hon. member for Lisgar (Mr. Brown) gave a sort of hazy intimation that there might be some bad work in connection with the ballots; he did not seem to be able to trust the people in the various churches to take a ballot vote. The only other objection urged at all upon the point was that some of the provincial legislatures had already passed bills containing a clause of this kind. What matters it to this parliament if a provincial legislature makes a mistake; are we going to be bound by it? Are we to have the rights of this parliament circumscribed simply because a provincial legislature has passed legislation concerning which we have never been consulted? If such other acts have been passed, that circumstance should not tie our hands. Let us do what is right, and if the ballot principle is right, let us adopt it. Then the parties interested might go to the legislatures and have the provincial legislation amended in this respect.

I do not want to use strong language, Mr. Chairman, but in my judgment it would be nothing short of an outrage to impose attendance at a church meeting as a condition to voting on this great question, when we know, if we know anything, that we are going to deprive a tremendous number of the members of the various churches of the right to vote at all through quite unavoidable absence.

Mr. HATFIELD: Might not members on both sides, unionists as well as non-unionists, be deprived of their votes?

Mr. GUTHRIE: I am not taking sides; I do not want to deprive any church member

of his vote, I want to enable every church member, whether for or against, to have an opportunity to vote. We have no right to assume that one class is going to be away and the other at the meeting. No doubt the deprivation will cut both ways, but surely we should furnish ample opportunity for everyone interested to vote.

Now, there is another objection, and a real objection too. We want to have the vote as free, as unbiased, as uninfluenced as possible, and I do not believe you can get a free, unbiased and uninfluenced vote when the voter has to come and stand in front of his parson and declare himself. I think we recognize that in every country there is such a thing as clerical influence. I know that in the Dominion Elections Act we had a clause which recognized this and provided that clerics were not to be allowed within one hundred yards of the polling booth on election day except to cast their votes.

Mr. HAMMELL: That was in 1917.

Mr. GUTHRIE: It is many years ago, But here the effort seems to be to bring the voters together under the eye of the parson and dragoon them into voting in the way the parson wants them to vote; while the object should be to make the vote as free, as unfettered, as uninfluenced as it is possible to make it. Oh, I have heard my hon. friend from Brandon refer almost every week to the fact that this is a progressive generation, a day of progress. But what are we doing here? We are turning our back on progress. The whole world knows from experience that the fairest vote is the vote by ballot.

Mr. LOVIE: Does the hon. member know that ballots are taken in church courts?

Mr. GUTHRIE: I do know that in the election of elders in the Presbyterian church where I attend they vote by ballot and allow you two weeks to turn in your ballot. I never attended a church court, nor have I ever read the rules, so I cannot give any information on that point. But I do know that the experience of every civilized country in the world has been in favour of the ballot in order to obtain a fair, free and uninfluenced expression of public opinion. By the ballot you get away from influence, you get away from domination, whether it be the domination of the boss, the employer or the parson. And if we want a free vote, why should we turn our back on these years of progress, why should we retrace our steps and adopt this high old Tory principle of the open vote? That is what you are now attempting to do, you, the great Progressive party in the House of Commons. Until someone can produce some weighty reason for changing the recognized principle of the ballot, I think the clause as drawn should be resisted. My suggestion is this: Pass this bill, and let the Clerk endeavour to draft an amendment in lieu of the amendment proposed by the hon. member for Lunenburg (Mr. Duff). I have looked over his schedule D and I think his provisions in regard to the actual vote and the counting of the vote are excellent. But just these words at the beginning, do not, I think, apply to the whole of the bill. The amendment as drawn is that paragraph (a) be amended by adding thereto after the word "thereat" in the 33rd line of page 6 of the bill the words, "or by ballot under the provisions of schedule D." That is an alternative which would be of no avail: If the meeting is to decide whether the vote be taken by ballot or by attendance at the church meeting, why, you have the same difficulty. The meeting will be there under the eye of those who in many instances want the vote to go one way or the other, and it will be decided at that meeting whether the vote shall be an open vote or shall be taken by ballot. The procedure should be uniform in all cases; and the reasons for taking a vote by ballot are so strong in this instance that the suggestion made ought to be adopted.

Mr. McBRIDE: Would the preacher have any influence on my hon. friend as to how he would vote?

Mr. GUTHRIE: I did not think about that. I said I have not a vote but that I have in my family five votes, and if the meeting were held in the winter only one of those votes would be registered because four of those persons would not be at home. Why should they be deprived of a vote?

Mr. FORKE: It is very refreshing to hear the hon. member for South Wellington (Mr. Guthrie) telling this parliament to get away from old Tory ideas and adopt Progressive ideas. I like that, and I am quite prepared to do it at any time. He makes a plea for fair play in the taking of this vote. At first glance his argument seems reasonable, but when you look into the matter you find objections to the taking of the vote in the manner prescribed by the amendment. The amendment provides that the ballot shall be delivered by the clerk of session, the recording steward or the minister. Can you imagine the minister personally delivering the ballots to the members of his congregation without having some influence on those people with respect to the manner in which the ballot shall be marked? That is

one thing that the hon. member is afraid of: that the minister may have undue influence in this matter if the vote is taken in the church. But if the minister delivers the ballot to the members of his congregation he has a very good opportunity to do a little canvassing. So also has the clerk, and so has the recording steward. Then we are told that a copy shall be mailed to the last known address of the members who are entitled to vote by ballot and that an accurate list shall be kept of those who receive the ballots. Then, at a meeting of the session or quarterly board the minister, the clerk of session, or recording steward, shall produce all the envelopes containing the ballots—the envelopes have previously been marked with the name of the person to whom it is to be returned—count them and make a statutory declaration as to the number of ballots for and against. There is also a clause in this amendment that failure or omission strictly to observe any of the regulations prescribed shall not nullify the vote. In other words, no wandering away from the direct provisions of this amendment would nullify the vote, and any question in that respect is to be decided by appeal to the county court or superior court. Now, this seems not too bad if one does not go deeply into the matter. But the taking of the vote will extend over a couple of weeks, and if one side starts a vigorous campaign on its own behalf, the other side will be compelled to take a similar course, and we will have the spectacle all over this Dominion of church people waging a contest among themselves as is done in a political election. An hon. gentleman says, "No." But suppose he is on one side and I am on the other; if he fights vigorously for his side I should be prepared to do the same for mine, and why shouldn't we? But it is not in the interests of church work or in the interests of the United church or the Presbyterian church that this should take place. I have no objection to a ballot vote taken at a church or congregational meeting. I believe in a ballot vote; probably it is the right way to take the vote. But if the vote is taken at the church meeting both sides have an equal opportunity; one has no advantage over the other. Everyone I am sure, who is sincerely interested in this matter will be out to vote. The people I am afraid of are the people who have no definite opinions, who are indifferent, who can be influenced by canvassing, or whose vote one way or the other can be obtained by simply going after it as in the case of a political election. I would rather see such people left out; I would rather have the decision of men like the hon. member for Lunenburg, who is in earnest on one side, and others who are equally in earnest in their advocacy of church union than the vote of a great many people whose votes will be got but who do not really care anything about the matter. I want to see fair play. I am thoroughly in sympathy with those who are anxious that this church union question shall be decided without any hard feelings. I assure the hon. member for Lunenburg that I have nothing but the kindliest feelings towards him and the steps he has taken. I should like to have been able to agree to his amendment just to show that we are willing to meet him so far, but candidly I cannot do so, because I think it would not be in the best interests of all the churches, union or Presbyterian. In regard to provincial legislation there is a question which complicates matters; the passing of this amendment would further make trouble in that direction. However, I leave that to be debated by those who are better acquainted with the legal technicalities than I am. I cannot see my way clear, Mr. Chairman, to support the amendment.

Mr. GUTHRIE: Is it the principle of the ballot that the hon. member opposes, or merely the provisions set out in schedule D? Those provisions might be changed. If my hon. friend is also of the view that the vote should be taken by ballot, then we could agree as to the conditions surrounding the taking of the ballot; if they are too drastic as proposed, let us modify them. Does the hon. member accept the principle of the ballot?

Mr. FORKE: I made it very plain that I would accept the principle of the ballot provided that ballot was taken at a congregational meeting.

Mr. MACDONALD (Pictou): It cannot be seriously argued that the views of those entitled to speak on this question, in the Presbyterian church or any other church, should not be taken by ballot. I understand the hon. member (Mr. Forke) however, to say that while he concedes that principle, he is of the view that everybody must go to the church meeting before he can express his views by ballot. There is a class of people whose opinions on this question seem to have been disregarded by those who are promoting the legislation, and that is the older men and women whose devotion to the Presbyterian church has been an integral part of their lives. Many of these people may be ill or otherwise unable to attend a meeting called for the

taking of the vote; is it reasonable that they should not be permitted to express their views? It is of no use to concede the principle of the ballot and then add that if certain members of the church are unable to attend the meeting called for the purpose of taking the ballot, their voice shall not be heard.

Take the case of the men in my constituency who work in the coal mines. I know many worthy sons of the church who work in the coal mines in Nova Scotia; and the same is true of the men who work in the steel furnaces. Many of them work at night. And my hon. friend would say that before they can be permitted to express their opinion on the question of union they must give up their work at night. That is manifestly unfair. It is no use for the promoters of this bill to pretend to the committee and the House and the country that they want to accept the ballot principle, and then proceed to make it absolutely nugatory, or if not going that far, to refuse to include in this bill any provision with regard to an expression of opinion by the ballot. I think the suggestion of my hon. friend from South Wellington is very fair and reasonable, and I appeal to those who are promoting this legislation, in view of the fact that as a result of the vote of two or three nights ago the attitude of the House is pretty well understood, to be at least fair in regard to the minority. If the minority in the Presbyterian church, who believe with the greatest possible sincerity and earnestness in the rightness of their attitude on this question, are to be told, when it comes to a question of giving them an opportunity of expressing an opinion in regard to this matter, that they are not to have the use of the ballot, which every hon. member of this House would insist upon in regard to the most ordinary election that takes place in this country—

Mr. CALDWELL: Would the hon. member be willing to extend this method of voting to Dominion and provincial elections? There you vote by ballot, but you must appear in person at the poll.

Mr. ELLIOTT: (Waterloo): Would the hon. member be in favour of the suggestion of the hon. member for South Wellington, to strike out the word "or" in the proposed amendment? Otherwise, would it not be rather an autocratic position for parliament to take?

Mr. MACDONALD (Pictou): In reply to my hon. friend from Victoria and Carleton (Mr. Caldwell) all I am asking is that the principle of the ballot as a means of an expression of opinion should be recognized by this House. My hon. friend asks if I would go further and say that people should not necessarily have to go to the polls on election day. I certainly would not say that. The case is entirely different. At a Dominion or provincial election the polls are open from early morning until late at night, and there are special polls held before election day for those who are compelled by their duties to be away from home on polling day, in order that they might have an opportunity of expressing their opinion. In British Columbia there is the system of absentee voting, which has hung up the result of the last provincial election for several weeks. So my hon. friend will see that there are ample provisions in the law for the recognition of the rights of those who cannot be at a particular place on a particular day, and what I am saying now is that there should be some recognition in this bill of the situation of the men who perhaps might not find it possible to be at a certain place between seven and eleven o'clock in the evening of a particular day.

In reply to the question of my hon. friend from South Waterloo, in my judgment what we ought to provide in section 10, is not an alternative method, but we should provide compulsorily that the vote shall be by ballot. I agree with the suggestion of my friend from South Wellington that the Law Clerk of the House of Commons should be asked to draw a proper amendment for the purpose of expressing the intent of the committee on that point.

In regard to the question of conflict with provincial legislation, in view of the fact that there may be in some provinces a provision in regard to the method of voting, I would point out that in some of the provinces adherents have the right to vote, and yet here we do not propose to give them the right to vote.

Mr. BROWN: That is not the point we are discussing.

Mr. MACDONALD (Pictou): If my hon. friend will follow my argument, my hon. friend from Brandon says that we must not provide for voting by ballot because in some of the provinces that is not the method provided, but yet he is perfectly willing to consent to a clause which may prevent adherents from voting, although in certain provinces adherents have the right to vote.

Mr. BROWN: That is not correct.

Mr. MACDONALD (Pictou): Certainly it is.

Mr. BROWN: That will be taken care of under subsection (b).

Mr. MACDONALD (Pictou): I am pointing out the inconsistency of my hon. friend from Brandon when he raises the difficulty of conflict with provincial legislation. Surely if in certain provinces adherents have the right to vote, as they undoubtedly have in many provinces, the natural argument would be that we should give them the right to vote in this bill.

Mr. CRERAR: I think that is provided for in subsection (b).

Mr. MACDONALD (Pictou): I am not discussing that particular point except for the purpose of showing the inconsistency of my hon. friend from Brandon on the question of conflict with provincial legislation, and the use of the ballot being made compulsory by Dominion legislation.

Mr. FORKE: I did not say compulsory.

Mr. MACDONALD (Pictou): My hon. friend indicated that we ought not to provide for the use of the ballot in the way proposed by the hon. member for Lunenburg, because some of the provinces have not provided for the ballot.

Mr. FORKE: That was not the idea. My idea was that the congregation itself at its meeting should decide whether to vote by ballot or otherwise, leaving it entirely to the congregation to decide.

Mr. MACDONALD (Pictou): I quite understand my hon. friend's attitude, but he mentioned what had been done in certain of the provinces and the desirability of our not doing anything inconsistent with it, and I was endeavouring to point out that he was perfectly willing to be inconsistent in regard to the question of adherents voting under provincial law, and not being allowed to vote under our law. I do not think it is fair that a congregation should decide whether the vote shall be by ballot or not, because supposing the meeting of the congregation is held on a winter night, with the snow three or four feet high; how is any old lady over sixty, or any old man, for that matter, to get to that meeting and express his view?

Mr. FORKE: My mother is eighty-six and she turned out and voted for me.

Mr. MACDONALD (Pictou): But not on a winter night, with the snow three or four feet deep. That only proves my point. My mother is eighty-three, and she turned out to vote for me, but it was on a nice day in the autumn; I do not know whether she would be able to do it on a winter's night, if there was a snow-storm. My hon. friend would prevent both his mother and my mother from voting on this church union question, because he will not allow the ballots to be taken home. He does not know whether his mother would not vote against church union. He must not be too sure about it. I think the dear old lady must cherish the church of her forefathers with which she has been associated all her life, and if she had the opportunity of voting by ballot I venture to say she would quietly mark it against church union.

Mr. BUREAU: You think she would weaken?

Mr. MACDONALD (Pictou): I know what these good old Scottish people feel in their hearts when they are left alone but no matter what their feelings are they would be prevented from expressing them if they had to attend a meeting of the congregation on a stormy winter's night.

Mr. LOVETT: Why not in the afternoon?

Mr. MACDONALD (Pictou): I have pointed out the situation of the working men in that connection.

Mr. LOVETT: They will not be working on Sunday.

Mr. MACDONALD (Pictou): Some of them have to. Are we to say that we shall not provide this fair and honest method of obtaining an expression of opinion, but that there shall be some other method adopted under which the meeting would be called by some of those interested at a time when they knew their opponents would not be there? That attitude on the part of those who are imposing this action on the church would be tantamount to saying to the members of the church "We will not give you the opportunity that is afforded by the state in the case of questions even of the smallest possible importance." It seems to me that when the supporters of church union take that position it indicates that those opposed to them are not to be given the fullest consideration. The whole complaint in this matter has been based on the adoption of an attitude of coercion on the part of the so-called majority. Why should they not be generous in such a matter as this and accede to a reasonable proposition, which no one can question, to be embodied in a properly drawn amendment and incorporated in this bill so that every member of the Presbyterian Church in Canada, where a vote is to be taken on this question, will be given an opportunity, in a manner entirely unfettered, to quietly mark his ballot and indicate his views on this

question in the same way as if the balloting was for the election of members to the House of Commons. Surely we ought to throw around the determination of a question of this kind the same reasonable precautions that are extended to the voter when he marks his ballot for an election of a member to the House of Commons.

Mr. MARCIL (Bonaventure): As a member of the Private Bills Committee I was called upon by my constituency to devote more than ordinary attention to this bill. I have had the honour for a great number of years to represent that constituency in which close upon one-third of the people are English speaking Protestants. They were divided in their opinion upon this bill just as the others are who are interested in this question, but not being a member of any of the churches immediately concerned my sole object was to try and bring about an understanding such as would promote Christian union generally. I strove to the best of my ability to effect such an understanding. I was in favour of union, and I supported the principles of union in the committee in deference to the request made by a large number of my constituents; but having received representations from a considerable number of others who are opposed to union I thought I would furnish the dissenters with an opportunity of making good their case. Therefore I supported the amendment that was inserted in the bill. I also had the honour of serving as a member of the sub-committee which sat for two or three days with the idea of trying to bring about an understanding. Having failed in these respects I now appeal to the majority in this the final court of appeal in favour of the idea contained in the amendment of the hon. member (Mr. Duff). In my constituency the chief Presbyterian church is located at New Carlisle, but some of the members of the congregation reside thirty and forty miles away from that town. They are scattered over a long coast line and it would be physically impossible for all these people to be assembled together at a certain date at a specific point to express their views on this important question. In fairness therefore to all parties concerned —those in favour of union as well as those opposed to it—I think the House would do well to find a means of giving both sides an opportunity of expressing their opinion. We have a rule in politics in this country which is a good one, which has stood the test of time; it is that the will of the majority must prevail. In church matters I presume the same rule will have to apply, although doubtless there will be dissenters as there always have been. I am old enough to remember when the break occurred in the Presbyterian church in the city of Montreal. I refer to the occasion when Sir Hugh Allan, and other members of the old Scottish Presbyterian church in Montreal refused to enter the Presbyterian Church in Canada, but remained connected with the old Presbyterian Church in Scotland. There will still be a Presbyterian Church in Canada even after the union which this bill accomplishes is brought about. For how long a period this will be no one can tell but it will continue for some time. In the meantime, in the best interests of union, I think all fair means should be adopted, especially in view of the conditions in my own constituency which I have described, to obtain as complete an expression of opinion as possible. It is physically impossible to get all these people, many of them fishermen and lumbermen who are absent from home, together in the one place at a fixed hour—it is out of the question to obtain a complete expression of opinion. Therefore I think the principle of the ballot should be adopted which would be the best means of convincing all parties that the real opinion of the majority has been obtained. What better means could be used than that which is in universal use throughout the country, not only in parliamentary elections but in case of controversies of various kinds and which is secret? That is a vote by ballot. I think it would be wise on the part of the promoters of the bill to adopt the suggestion that the Law Clerk of the House should be asked to draft a clause for insertion in the bill so that when the measure finally passes the House it will have some chance of rallying to its support the majority of those who are interested in it.

Miss MACPHAIL: The case of the absentee voter of British Columbia has been referred to as an argument in favour of the adoption of the ballot in the present case. The citation of that illustration is somewhat misleading because in that very case the voters had to go to church, or some suitable place within a limited time for the purpose of casting their votes.

Mr. MACDONALD (Pictou): Does my hon. friend agree that it is desirable that there should be a ballot in some form?

Miss MACPHAIL: I think it is a safe way of voting.

Mr. MACDONALD (Pictou): Does not the hon. member think it is the fairest method of obtaining an expression of opinion?

Miss MACPHAIL: I wished to clear up what I thought was a misunderstanding in regard to the absentee voters of British Columbia.

Mr. MACDONALD (Pictou): I only cited that case as an instance of the fact that voting by ballot was extended to those who were unable to be at their proper place when the opinion of the congregation was sought, and the proper place according to my hon. friend would be the church.

Mr. CALDWELL: When the Minister of National Defence speaks of "the secret ballot" may I suggest to him that ballots sent in by mail are not secret because the voter must sign his name to the ballot and
4 p.m. do so in the presence of a witness. On the other hand those assembled at a meeting can mark their ballots yea or nay and do not have to sign their name to them. Consequently the latter procedure is more secret.

Mr. DUFF: That is a mere technicality.

Mr. MACDONALD (Pictou): Of course if the meeting is one where the doors will be closely tiled it will be possible to know what people go there and, in some measure, ascertain what is going on. At any rate it is the practice in the Presbyterian church when there is to be an election of elders to sign the ballots; so that they can find out whether the party voting has the right to do so. Moreover, I may inform my hon. friend that when the voting took place upon the church union question in 1915, I voted against church union at that time, and I signed my name to a ballot. My hon. friend and his friends have been claiming all through this country that union should be consummated because a vote taken in that way was cast with a majority in favour of union.

Mr. CALDWELL: I was not saying that. I was simply pointing out to the minister that this is not a secret ballot.

Mr. MACDONALD (Pictou): All we are asking for is fair play; that the church should not desert the method which it has adopted and ratified in the past in determining who should be elders of the church, and the method which, on two distinct occasions in the past, it used for the taking of a vote on the question of union. The hon. member for Lunenburg (Mr. Duff) informs me that the assembly recommended that an expression of opinion in regard to this question should be taken by ballot; but when the legal gentlemen framed the bill, they excluded that provision. Why should we not say that the well-recognized practice of the church should be followed, by which a member should indicate on the ballot what his views are in regard to the question and then sign the ballot, so that the people who have to do with the taking of the vote may know that that member has a right to vote. Surely, you can trust the session of the church—I am willing to do that in each particular church—to determine the accuracy of the vote and the question whether the party who sends in a ballot has a right to vote or not.

Mr. MILLAR: Would the hon. member favour confining this ballot to those resident in the district? As I understand the amendment now, the ballot would go to those who, perhaps, moved away years before, whose names are still on the church register, but whose homes are permanently somewhere else.

Mr. MACDONALD (Pictou): The hon. member for Lunenburg says that the act provides in the way the hon. member suggests, but not his amendment. I should think that every person who was a regular member of any particular congregation, would have a right to vote in that congregation. The course usually adopted in the church is this, that where one is a member of a particular church and moves to some other locality, he takes a certificate from the church with which he has been connected and becomes identified with the church in the locality to which he goes to reside.

Mr. MILLAR: Sometimes the names are left on the books for years.

Mr. MACDONALD (Pictou): I am perfectly willing, and surely my hon. friend is willing to trust the session and elders on that point. I have in my own county a congregation in the country where the people are provided wtih religious services for a distance of ten miles. If a person that lived ten miles away, owing to the day being stormy, or owing to illness, or a death in the family or some other cause was unable to go to the meeting, he would be deprived of his vote. Surely it is reasonable to ask that there be embodied in this bill a provision that every recognized member of the church should be given a reasonable method of expressing his or her view. That is not an unfair proposition. If the promoters of the bill are hopeful of bringing about anything like a union, such as so many of them cherish and conceive is possible, they are throwing very grave and serious difficulties in the way of the attainment of

their object if they fail to give fair play and reasonable consideration to every one who is entitled to vote, to enable him to express his opinion in a well recognized way and in accordance with the practice that has obtained in this and every other institution in the country in the matter of expression of views. I am astounded to think that the promoters of this bill should want to adhere to the proposition that nobody shall be allowed to indicate what his views are in regard to this important matter if he happens to be prevented on account of some sufficient cause, from attending a meeting on a certain day. I am sure every hon. gentleman's sense of fair play would at once bring him to consider the reasonableness of the contention that the law clerk should be permitted to draw up a clause which would recognize that principle. That is all we ask.

Mr. ROSS (Kingston): Can a member be a registered communicant of more than one church? He can take communion in more than one church.

Mr. MACDONALD (Pictou): I understand that a person is admitted to the membership of the Presbyterian church in some particular church. If he leaves that church and goes away, a certificate to the fact that he is a member accompanies him to the place to which he goes and entitles him to recognition as a member of the church in that particular locality.

Mr. ROSS (Kingston): He connot be a member in that church without that certificate?

Mr. MACDONALD (Pictou): No.

Mr. ROSS (Kingston): Therefore, it is only one vote.

Mr. McBRIDE: I do not think the time of this House should be taken up any longer on this question. It was very fully gone into in the committee, and after it was gone into very fully, clause 10 was adopted by that committee. We heard arguments in that committee on both sides so why take up the time of the House on this question? Let us have a vote.

Mr. MOTHERWELL: There is one phase of the amendment that has not been discussed yet. Under section 3, there are possibilities that should be considered before we come to a decision. This section reads:

> The said clerk of session or recording steward. . . .

Which is the same thing;

> . . . . or minister of any congregation in which a vote is to be held shall personally deliver a copy of said ballot to each member of said congregation entitled to vote.

Or he can send it through the mails. If both of those parties happen to be on one side of this question, you will see that they can control the distribution of all the ballots. It may be said that that is not likely to happen. Let me recite my experience. Some citations of a similar nature have been given this afternoon. In our congregation, the clergyman and clerk of session were such strong Presbyterians that they felt satisfied that that was the only route to eternal glory. Imagine the ballots being in their control!

Mr. DUFF: Why do you not write them a letter?

Mr. MOTHERWELL: I might do worse. If we are going to seed the countryside down with ballots in this fashion, they should be distributed equitably on both sides of the question. Take the illustration I have given. The clerk of the session was an excellent man and so was the minister, but under this proposed system they would have had all the ballots. Imagine such a condition of affairs! In order to have a fair expression of opinion and an equal opportunity given to both sides, perhaps the ballots should be divided fifty to one side and fifty to the other. There might be something in that, but why depart from the systematic method of doing such things? There are three or four distinct reasons why this amendment should not be adopted. In the first place, it is diametrically opposed to practice of the church itself. It is true that in the case of elders, they may be selected by the method of distributed ballots, but in many places, particularly in rural parts, the elders are selected right at the meeting. But before a ballot can be taken, a congregational meeting has to be held to nominate those elders, and consequently, this is diametrically opposed to the recognised way of doing business.

It is also diametrically opposed to the provincial legislation which has already been passed in six of the provinces. I think somebody has made the remark: What of that? Is this House going to override the will of the provincial houses in the matter of the ballot? I do not think that is contemplated. What is the other alternative? You are going to have two systems of election, and if we are going to be law abiding people, we shall have to abide by both of them. We shall thus have an election under the provincial law, the

regular system that has been the rule of the church as long as I can remember. That is either by a show of hands or by standing up, and if they like they can adopt the regular ballot system; and in the election in the village of Abernethy for church union we adopted the latter. We disagreed on the former methods. We said, "Let us have all things done decently and in order", and we borrowed a ballot box from the municipality; we had a returning officer and a polling place and got a decision, and it was all over.

Mr. MACDONALD (Pictou): Why do you not do that now?

Mr. MOTHERWELL: We can do it—most decidedly we can. It is not a question of the ballot proper. It is a question of distributing ballots or voting at the congregational meeting.

Mr. MACDONALD (Pictou): Why will the hon. member not accede to the proposition which has been made that the law clerk of the House should draw up a proper amendment that would provide for an expression of views?

Mr. MOTHERWELL: It is implied—

Mr. MACDONALD (Pictou): Do not go on implication. You must have machinery provided.

Mr. MOTHERWELL: I know how it has been done in the congregational meetings, but that is not the question at all. It is the principle of voting by the distribution of ballots that I object to. What would be the result of the two methods of balloting? We take one vote under the provincial system, and we have a result under this system. We follow also the system now proposed of distributing ballots and thereby we would have the probability of two decisions diametrically opposite by these two systems of voting. Which is to prevail?

Mr. MACDONALD (Pictou): What does the minister say to the situation that arises in provinces where adherents have the right to vote and this bill does not give them the right to vote? Where does the minister land then? That is much more serious.

Mr. MOTHERWELL: That right is conceded in certain provinces where the adherents have the right to vote.

Mr. MACDONALD (Pictou): But that is not stated here.

[Mr. Motherwell.]

Mr. MOTHERWELL: That provincial right was simply preserved in law, which I think was quite proper. But under this proposal you are going to inject an element of confusion; you are going to have two systems of voting which may result in two opposite decisions. If we want a church union with as much harmony as possible, we should not adopt this method of voting. We should not depart from the ordinary method. Why should we intrude the arm of the state into a matter that is so distinctively a church matter?

Mr. MACDONALD (Pictou): In view of the fact that the assembly on the previous occasion in 1915 provided for an expression of the people in regard to church union, will the minister tell me why we should debar them from doing the same thing to-day?

Mr. MOTHERWELL: There is quite a proper distinction, and hon. members should note the distinction. On the two former occasions it was not a vote, but a plebiscite or referendum, simply for the guidance of the courts of the church.

Mr. DUFF: Is it not a fact that the General Assembly provided to take this vote by ballot?

Mr. MOTHERWELL: Which vote?

Mr. DUFF: The one that is coming now. Is it not a fact that the General Assembly decided two years ago that when this vote was to be taken it was to be taken by ballot?

Mr. MOTHERWELL: It was discussed.

Mr. DUFF: Was it decided?

Mr. MOTHERWELL: I think not.

Mr. DUFF: Yes, it was.

Mr. MOTHERWELL: We have to take the wishes of the General Assembly as being provided for in this bill.

Mr. DUFF: The General Assembly never passed that bill.

Mr. MOTHERWELL: The committee on Church Union was endowed with assembly powers to confer with the other denominations to make such changes in the bill as would harmonize the differences between the churches. The more we depart from the regular practice of the church in regard to voting which method has been adopted by provincial legislation, the more confusion will result. We should hesitate a long time before we throw this kind of a monkey wrench into the

machinery and invite such chaos as this will promote. Are we seriously going to do that? Why spoil a wise and good bill by deliberately passing a provision of this nature?

Mr. CARROLL: If the local legislatures of the various provinces have undertaken to legislate on the question of how the vote is to be taken, why should we discuss it at all?

Mr MOTHERWELL: There is something in that; but I understand there is a reason connected with the larger question of trust funds which comes under Dominion jurisdiction. They are adopting the church provisions in the matter of voting. That is the point. The question is, is this a church matter or is it a state function? Let us render unto the church the things that are the church's and unto the state the things that belong to the state. This is a matter entirely for the church. By this proposed method you are going to interfere directly with the internal administration of the churches and going to adopt two methods of voting. You are going to make it possible for two decisions. What kind of confusion is that going to promote? Would we do that in a federal election? Would anybody advocate the method of voting as proposed by the hon. member for Victoria and Carleton (Mr. Caldwell) in a federal election?

Mr. CALDWELL: Pardon me, I did not propose that. I asked the Minister of National Defence if he proposed it.

Mr. MOTHERWELL: I beg pardon, I put it the wrong way. My hon. friend raised the same question. We have an amendment to the Dominion Elections Act now before the House, introduced, I think, by the Minister of Justice (Mr. Lapointe). Will anybody in the House suggest that the act be amended by invoking this method of distributing the ballots around the countryside and getting an expression of opinion in that way? I think hon. members supporting this amendment should show cause why we should depart from the regular method at this time.

Now, in reply to the hon. member for South Wellington (Mr. Guthrie), there is a good deal to be said for the voting method we had in our village. Some voters were ill, one woman particularly, and I wanted to get her to the poll. We figured we would have to take our chance that there was probably somebody ill on the other side. This question of illness does not discriminate against any cause. It is the same in any election. If we can take ill people to the poll we take them. There is no discrimination. As far as that is concerned, we are asking the House to adopt the principles of voting laid down by the respective churches, and any other system is a direct interference with the church in my opinion.

Amendment (Mr. Duff) negatived; yeas 29, nays 62.

Subsection (a) of section 10 as amended agreed to.

The CHAIRMAN: Then there is a notice of motion to amend subsection (b):

That at the end of subsection (b) the following words be added: "on matters affecting the disposal of property."

Amendment agreed to.

Subsection (a) of section 10 as amended

On the preamble:

The CHAIRMAN: Notice of motion is given by Mr. Brown to amend the preamble by striking out the following words after the words, "set forth" in the fifteenth line thereof:

"And whereas doubts have arisen as to the power of the General Assembly of the Presbyterian Church in Canada to agree to the union mentioned herein and as to the jurisdiction of the parliament of Canada with regard to certain of the powers asked for."

Amendment agreed to.

Notice of motion is also given by Mr. Brown to further amend the preamble as follows:

To strike out the words "subject to the provisions hereinafter set forth in section two of this act."

Amendment agreed to.

Preamble as amended agreed to.

On the title:

Mr. DUFF: Mr. Chairman, I move that the title be changed to "The United Church in Canada." My reason for moving this amendment is that under the present title many people in this country and elsewhere might be under the impression that parliament was incorporating a national church, and I do not think we should do anything that might give rise to such an erroneous idea.

The CHAIRMAN: My opinion is that this amendment comes within the meaning of section 112, and therefore requires notice. I shall be glad to hear the views of any hon. members before I rule on the point of order.

Mr. DUFF: Mr. Chairman, the title of the bill is perhaps more important than the

point of order. If I have not given sufficient notice I would ask that the committee rise and report progress in order that I may have an opportunity to give the required notice.

Mr. BROWN: I submit, Mr. Chairman, that to adopt this amendment would be to reverse the principle which we have already adopted by passing section one which declares that, "This act may be cited as The United Church of Canada Act."

The CHAIRMAN: Section one of this bill declaring that "This act may be cited as The United Church of Canada Act" having been already passed, I feel that that of itself precludes the hon. member for Lunenburg (Mr. Duff) from moving his amendment, it being inconsistent with the declaration.

Title agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Some hon. MEMBERS: Now.

Mr. MACDONALD (Pictou): Next sitting of the House.

PRIVATE BILL

SECOND READING

Bill No. 210 for the relief of Elizabeth Atkinson.—Mr. Duff.

QUESTION

CANADIAN NATIONAL RAILWAYS—ADVERTISING

Mr. DOUCET:

How much money has been paid monthly by or on account of the Canadian National Railways to newspapers or other printers for advertising, publicity and printing of any character, during the twelve months' period ending on May 30th last?

Hon. Mr. GRAHAM:

June, 1923	$ 145,291 74
July	156,694 10
August	121,450 43
September	109,784 81
October	154,387 34
November	163,168 27
December	100,732 18
January, 1924	118,036 87
February	94,749 60
March	121,042 12
April	133,508 23
May	204,637 18
Total	$1,623,482 87

[Mr. Duff.]

UNOPPOSED MOTION FOR PAPERS

MANITOBA—APPOINTMENT OF ADMINISTRATOR

Mr. BAXTER (for Mr. Meighen):

For a copy of all correspondence since June 1st, 1924, between the Prime Minister and the government, the Lieutenant-Governor or any judge of the province of Manitoba, relating to the appointment of an administrator for said province, to act during the absence of the Lieutenant-Governor.

STRIKE OF POSTAL EMPLOYEES

Mr. CHURCH:

For a copy of all correspondence, telegrams, letters and other documents containing any conciliation in reference to the dispute between the postal employees and the government or Acting Postmaster General or Minister of Labour, from June 16th to date, including all correspondence with the Dominion executive of the men and the Toronto postal employees' committee.

Mr. CHURCH:

For a copy of all reports, letters, telegrams and other correspondence since June 10th, between the government or Post Office officials on the one side and public bodies, individuals or business men, relating to the tie-up of the postal services in Toronto. Also the daily reports made to the minister since the strike began by his officials, and of protests made as to the confusion and damage done by said post office strike to the public at Toronto, and of all correspondence on the files on this question.

Hon. Mr. STEWART (Argenteuil) (Acting Postmaster General): Mr. Speaker, in the absence of the hon. member for North Toronto (Mr. Church) I would ask that these motions stand as I have some objection to offer to them.

Motions stand.

BRITISH NORTH AMERICA ACT

EXTRA-TERRITORIAL JURISDICTION

Hon. ERNEST LAPOINTE (Minister of Justice) moved:

Resolved by the House of Commons,—

That it is expedient that section ninety-one of the British North America Act, 1867, be amended by adding thereto the following subsection in lieu of that set forth in the address of the Senate and House of Commons to His Majesty the King, adopted by the House and Senate, respectively, on the 24th and the 26th June, 1920:—

"2. An enactment of the parliament of Canada, if expressed to operate extra-territorially, shall have and be deemed to have had, that operation, if and in so far as it is a law for or ancillary to the peace, order and good government of Canada."

And that His Majesty's government be respectfully requested to promote the necessary legislation for the sanctioning of the said enactment.

He said: Mr. Speaker, the purpose of this resolution is the adoption of an address to the Imperial parliament for an amendment to the British North America Act making it clear that this parliament has the power to enact legislation with extra-territorial effect

in matters within its sphere. The question has been much discussed in this country and in the other dominions. It has been recognized that this parliament within its own sphere has all the powers of self-government, exactly as the Imperial parliament has within its sphere, and this opinion is not only admitted by all constitutional authorities but has received the sanction of the highest judicial courts of the Empire. Still, the question whether outside the territory of Canada the legislation of this country has effect or is valid has been discussed, and there has been a marked difference of opinion. The standard opinion, I think, was the case of McLeod in the New South Wales dominion. It was a case of bigamy, and it was decided by the Privy Council that a citizen of that dominion could not be sued for having contracted a second marriage outside the territory of the dominion because the offence had been committed without the territory and the jurisdiction of New South Wales. The question of bigamy has also been discussed in Canada in many instances. It was referred to the Supreme Court of Canada in 1890, I think, and on that occasion two judges decided that Canada had the full extra-territorial power in respect to its legislation, but three judges decided otherwise. In order to institute proceedings against a Canadian who, already married, goes to another country to contract the second marriage, our section of the criminal code says he must leave Canada with the intent of going to the other place for the purpose of entering into a second marriage; the offence then is committed prior to his leaving Canada.

There have been many cases of bigamy, especially since the war. There have been cases in Montreal of Canadian soldiers who, already married, contracted a second marriage overseas and when they came back were sued for bigamy, but the courts stated that they could not be convicted because the offence was committed outside the territory. In New Zealand there was a case of bigamy in 1919, quite a recent case, in which Chief Justice Stout, stated that the dominion has extra-territorial rights and that the accused should be convicted, but the majority of the Supreme Court of New Zealand decided otherwise, stating that the dominion had no such power. In a Canadian case, that of Keyn versus Attorney General of Canada which went to the Privy Council, the decision was otherwise. It was the case of a man who had entered Canada contrary to the provisions of the Alien Labour Act, and when the immigration authorities instituted proceedings to expel him from the country a writ of habeas corpus was taken on his behalf and the Canadian judge decided that Canada had no power to expel a man under such circumstances because an extra-territorial effect was involved in the act of deportation. But the Privy Council decided otherwise, namely, that the legislation of Canada in that respect was valid.

Quite recently the question was discussed in connection with mandates given by the League of Nations and by the Peace treaty to South Africa and New Zealand. New Zealand was given a mandate over Samoa and South Africa over German West Africa. In New Zealand the authorities thought they did not have the power to enact legislation for that territory of Samoa, which was not within their jurisdiction, and they obtained from the Imperial government an order in council giving them such power. South Africa, on the other hand, under General Smuts, contended that they had such power, that they had all the powers of self-government and that that included the extra-territorial effect of their legislation. Their contention was upheld and they legislated for German West Africa, over which they had been given a mandate.

The constitutional authorities allege that there is doubt as to the extra-territorial right of dominion governments. In an article by Sir John W. Salmond who was Solicitor General of New Zealand, he takes the view that the dominions have an extra-territorial power in their legislation. In Canada the question came to the attention of the government in 1920 in a definite manner when the chairman of the Air Board recommended that the government be requested to take the necessary steps to secure legislation by the Imperial parliament provided that any law of Canada relating to air craft registered in Canada may extend to such air craft and personal license as well without as within the territorial limits of Canada. The House will realize then how important it is that our aviators shall be compelled to follow Canadian regulations even when they are temporarily outside of Canadian territory.

Apart from the necessity for having the question definitely settled so far as aviation is concerned, there is also the question of our criminal code, especially with regard to bigamy cases, as I set forth a few minutes ago. There is also the question of our customs laws and regulations. Men should not be at liberty to organize conspiracies to defraud Canada while they are temporarily outside of our territory. There is also the

question of the protection of our coastal fisheries. Indeed, in the Northern Pacific Fisheries Protection treaty we have assumed that we have that extra-territorial right, and the legislation enacted under the treaty assumes that we have that extra-territorial right. Surely it is important for the protection of our coastal fisheries that we should be able to prosecute those who violate our laws and regulations while temporarily outside of the territorial limits. The same thing applies to our shipping regulations, when our vessels are temporarily out of our territorial waters. If this was not clearly recognized it would certainly impose fetters upon the self-governing powers of the Dominion, such as to hamper the natural working of our constitution.

In 1920, parliament unanimously passed a resolution for an address to the Imperial parliament for the purpose of correcting this anomaly, not, I take the trouble of stating again, that we do not contend that we already possess that power; we think we do possess it, but it has been challenged and contradicted by strong constitutional authorities and by many judges, so it is important to have a clear and definite recognition of that right by the Imperial parliament.

The amendment which was suggested in 1920 and which was adopted unanimously by this House and the Senate provided that:

> Any enactment of the parliament of Canada otherwise intra vires shall operate and be deemed to have operated extra-territorially according to its intention in the like manner and to the same extent as if enacted by the parliament of the United Kingdom.

The law officers of the Crown in the United Kingdom took some exception to the phraseology of the amendment suggested, and, while I believe they were not right in their contention, thought it might give the parliament of Canada with regard to the other self-governing dominions the same powers as the Imperial parliament has with regard to them. Nobody in this country ever had that intention, and the wording of that amendment clearly could not bear that construction because it stated: "when intra vires," so it could only concern legislation within the power, authority and jurisdiction of the Canadian parliament. There were negotiations between members of the government of the day and the officers of the Imperial government, and a change in the wording was suggested by the law officers of the United Kingdom, which was not acceptable to the Canadian government. Finally, the draft as now proposed has been suggested by the Canadian government. The order in council was passed, I think, a year and a half ago, and only recently the Imperial government has signified its willingness to accept this proposed amendment and to have it carried by an act of the British parliament. I repeat, my own view is that the wording of the first amendment is preferable to this one, but this one will give us all that we need and will definitely recognize Canadian rights of self-government extra-territorially as herein defined.

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): I wish to thank the hon. Minister of Justice (Mr. Lapointe) for having allowed this resolution to stand over, because I wished to give some expression of my thought with regard to it.

It is not by any means a controversial question. As the Minister of Justice pointed out, the preceding government adopted a resolution in another form, and a form which he thinks is preferable, and now, in consequence of the reasons which he has given us, and which I may say were not known to me before, the resolution appears in a new form.

I know there is one thing the Minister of Justice does not want to do, nor does the government of which he is a member. I am quite satisfied there is no intention in any part of this House to obtain legislation which would enable any possible interference with provincial rights. I am not going to make a charge; I am going to acquit the hon. minister at the same time that I suggest that the particular phraseology gives an opportunity for that. We have under section 91 of the British North America Act general power to make laws for the peace, order and good government of Canada. Then particular subjects are enumerated in section 91; I shall not enter into the category, and by section 92 a limited class of subjects is exclusively assigned to the provincial legislatures. If a thing definitely and actually falls within the categories of section 92, then the Dominion has nothing to do with it, but if it can be said to fall within both, then the jurisdiction of the Dominion is exclusive of that of the province; but there is always a certain jurisdiction on the part of the province that cannot be interfered with by the Dominion, and that ought not to be interfered with.

I think the Minister of Justice will recognize that he is absolutely right in preferring the original draft to the substituted one; the original draft used words to this effect "otherwise within the legislative authority of the parliament." I do not think the British law officers could have taken ob-

jection to that part of the phraseology. Their difficulty was more probably with the latter part, which said that our legislation was to be effective "to the same extent as if enacted by the parliament of the United Kingdom." Probably their objection was to that; but I have not seen the correspondence, and it is not necessary to spend much time on it. I would suggest to the minister that in point of form, yes, and with real substance behind it, it would be well to interpolate in his present resolution the words "otherwise within the legislative authority of the parliament of Canada," so that if we are to have extra-territorial powers they shall be limited in terms to the exercise of the powers which are vested in the Dominion, in contradistinction to those vested in the provinces by our charter, which is the British North America Act. I am absolutely sure that the minister has not the slightest intention of going any further, but I think he will see—

Mr. LAPOINTE: Will my hon. friend suggest in which way there is a possibility of this interfering with provincial rights?

Mr. BAXTER: If the minister has not grasped it yet, I will state it definitely. The moment there is legislation in the words of the proposed enactment I think it is absolutely apparent that we could not interfere with any provincial legislation within Canada, but we could take a provincial subject of legislation and deal with it extra-territorially.

Mr. LAPOINTE: The parliament of Canada cannot legislate on subjects that are not within its sphere.

Mr. BAXTER: We could, under the general provisions of the law dealing with the peace, order and good government of Canada, deal with a subject allocated to the province to the extent of giving it extra-territorial effect. Now, the provinces, it will be said, have no extra-territorial effect to their legislation. That would be the answer that would come to anyone's mind. That is true in a qualified sense but I think it is pretty well established that the provinces have the right to incorporate companies and that while they can only create a company within their territorial ambit yet they may endow it with powers which are capable of being exercised beyond its territorial jurisdiction. That is the result of a series of Privy Council cases decided within the last ten years. That is only one subject that I think of, and the minister will see at once the action that might be taken by some federal parliament in dealing, for instance, with company legislation by the exercise of the extra-territorial power. This language really sweeps away the limitations between federal and provincial legislation. If you accept that extra-territoriality, then your legislation will be introduced on the ground of extra-territoriality and it would open up a line of argument which none of us in this country, I think, wants to have opened up. It is so simple and easy to remedy. I think the minister on very slight consideration will see it is advisable to insert these words.

Mr. LAPOINTE: Where would you insert the words?

Mr. BAXTER:

An enactment of the parliament of Canada otherwise within its legislative authority.

That would be sufficient "otherwise within its legislative authority."

Mr. CARROLL: That is the legislation which they may pass at the present time?

Mr. BAXTER: Enumerated under section 91, and any extra-territorial operation should only be given in connection with these classes of subjects. I do not want to talk at much length and, as I say, there is no complaint or controversy in this matter. But the subject is an interesting one and I have been trying to fix in my own mind where we are going to get to by obtaining this power and attempting to exercise it. I followed my hon. friend in his discussion of the bigamy question. That is the principal one in regard to which any difficulty has arisen; but we seem now to have an effective, or a fairly effective way of grappling with that evil because our legislation is good, in the case of a man leaving Canada with the intent of committing an offence. But supposing he does not leave Canada with the intent at all? Supposing he forms the intent, we will say, in a state of the American union; there is a deserted wife in Canada and the man ought to be punished. But if the wrongdoer remains in the United States we are still helpless; we cannot expect extra-territoriality of legislation to be recognized by any foreign power. It can only be within the ambit of the British Empire, otherwise this legislation will have to be followed up by a series of extradition treaties by means of which we could bring out of a foreign country a man who had done the act which we had determined should be a crime even though committed beyond our territorial jurisdiction and these we are not likely to get.

The principal point of view I wish to impress on the minister is, that we open up almost a network of conflict with every other British state. If we claim this then all other parts of the Empire can equally claim it; and if it is

accorded to us, we assume it will be accorded to all others. Then once you get a citizen of Canada outside of the three mile limit of this Dominion there is a possibility of a number of jurisdictions affecting him. For he may go from one part of the Empire to the other and by what law will he be judged if he commits an offence? We read in the Scriptures of St. Paul claiming the rights of a Roman citizen, which brings very vividly before

5 p.m. our minds that which was undoubtedly the principle of the Roman law in early times when a man, so to speak, carried his law with him. But Rome was then the centre of enlightenment, set among a multitude of mere barbarous tribes, and Rome had the power of her legions to enforce her law. Whether it was what we would now call a contract or whether it was a crime the Roman citizen would claim the right to be judged by the law of Rome and by that law only.

But is it possible for us to put the Canadian citizen in that position in all parts of the world, or even in the British Empire itself? If he sets foot in New Zealand he will have to be judged by the local and territorial law of New Zealand; if he sets foot in London he must be judged by the law that obtains at Westminster; if he goes to South Africa the Roman-Dutch law will take care of him both civilly and criminally. Where is our extra-territorial law to operate? It cannot operate in the United States where most of these offences against the law of marriage are committed. It might operate, possibly, on the high seas, but if our citizen is on a British ship he will be then practically within the territory of Great Britain. I see nothing but cross currents of legislation arising out of this. And after all, what has the United Kingdom done itself? Away back, I think about 1878 or thereabouts, there was the criminal case of a man named Keyn who had committed a murder on a foreign ship and outside the three mile limit. The case came before the Central Criminal Court, and it was held the court had no jurisdiction territorially because its jurisdiction stopped at the three mile limit. Great Britain afterwards passed an act, and this seems to be as far as the United Kingdom has attempted to go in the line of extra-territoriality. The act was passed in 1878 and recited as follows:

Whereas the rightful jurisdiction of Her Majesty, her heirs and successors, extends and has always extended over the open seas adjacent to the coasts of the United Kingdom and of all other parts of Her Majesty's dominions to such a distance as is necessary for the defence and security of such dominions.

2. An offence committed by a person, whether he is or is not a subject of Her Majesty on the open sea within the territorial waters of Her Majesty's dominions is an offence within the jurisdiction of the Admiral, although it may have been committed on board or by means of a foreign ship, and the person who committed such offence may be arrested, tried and punished accordingly.

A requirement was inserted in the act that had reference to any other portion of the Empire that the leave of the government of the particular dominion would be necessary to bring a prosecution. That, I think, in general terms, while Canada is not mentioned, applies to Canada. The reference is unmistakable, and it means that the leave of the Governor General would be necessary to bring about a prosecution under this particular act. The act also defines "territorial" in these words:

"The territorial waters of Her Majesty's dominions" in reference to the sea, means such part of the sea adjacent to the coast of the United Kingdom, or the coast of some other part of Her Majesty's dominions, as is deemed by international law to be within the territorial sovereignty of Her Majesty; and for the purpose of any offence declared by this act to be within the jurisdiction of this administration, any part of the open sea within one marine league measured from low water mark shall be deemed to be open sea within territorial waters of Her Majesty's dominions.

So that Great Britain herself, with all the plenary power of the Imperial parliament, did not attempt to legislate any further than a stone's throw from her shores, the three-mile limit. Now we are asking that a sort of unlimited extra-territorial jurisdiction be conferred upon Canada. I see only the possibility of conflict. I see the helplessness, the utter impotence on the part of Canada to enforce this extra-territorial jurisdiction if it leads into a foreign state, and I see some difficulty in reconciling the conflicting claims of jurisdiction which may be set up by the several parts of the British Empire. I can see no real, clear good. Constitutionally, our courts have affirmed the right to go as far as we have gone with reference to the bigamy sections of the code. They have done that, over-ruling a very strong opinion by the late Chief Justice Strong. I noticed that the present Mr. Justice Anglin some years ago contributed a most scholarly and valuable article to the Canada Law Times on this subject, and I take it that his opinion would scarcely be in accord with the legislation that we now have on our statute books. I am not going to oppose the resolution. I only want to point out to the minister some of the difficulties which possibly were not laid before him when his department were giving consideration to the framing of this legislation. I would suggest to him that the matter is not one of immediate

urgency, that he might take time and give some further consideration to this far-reaching subject and not rush into Imperial legislation which may confuse us in a tangle that, in after years, we may have some difficulty in unravelling.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, I am inclined to support the view of the Minister of Justice (Mr. Lapointe) in regard to this matter, notwithstanding the very able argument that has been presented to the House by the hon. member for St. John City (Mr. Baxter). I remember well when this matter became a real issue, a definite question in this parliament. I happened, at that time, to be chairman of the Air Board and also Acting Solicitor General, and I remember well when we brought the question to the attention of the Hon. Mr. Doherty, who was then Minister of Justice. The question is a large one and one which, I think, it is in the interest of Canada and of all parts of the Empire to have definitely settled. If there is a real doubt as to the jurisdiction of this parliament to act extra-territorially, we should have that doubt removed at the earliest possible moment. It may be, as the hon. member for St. John City has pointed out, that this is not a case of urgency; that we are not bound to act precipitantly. If there are real difficulties in the matter, we shall have plenty of time to consider them; but I think the matter has now been under consideration for at least three or four years between the Department of Justice and the Imperial authorities, and if they have come to some conclusion which is acceptable to both parties, my view is that the matter ought to be settled. It is to be noted that in the drafting of the former address which was passed by this House, provision was made to protect the rights of the various provinces in any jurisdiction which they have exclusively under section 92 of the British North America Act. I cannot remember that the question arose in the discussion of 1920; I am inclined to think that it must have arisen on those words which the hon. member for St. John City has pointed out would not likely have appeared in the address at that time. But I think the suggestion of the hon. member for St. John City that those words be included in the present address should be followed. I cannot imagine that the Imperial law officers would take any exception to the words:

Otherwise within the legislative authority of Canada.

being inserted in this resolution. I think, perhaps, on a strict reading of section 2 as now drawn, it might be held that the language means that we could exercise jurisdiction extra-territorially only in regard to such subjects as are placed under the legislative authority of the parliament of Canada by the British North America Act. The inference from the language is certainly very strong. The presumption would be that we were dealing only with such matters in regard to which we had undoubted jurisdiction, but it would make the matter doubly clear if the words suggested by the hon. member for St. John City were included.

Under our criminal code a number of cases arise in regard to which this extra-territorial jurisdiction is very necessary. It is not very long ago when, in my part of the country, there was a rather important case where a conspiracy to defraud was deliberately hatched in Buffalo by Canadians. They proceeded to Buffalo; they drew their documents there, and entered upon their conspiracy. Afterwards, when they returned to Canada, and were charged in Canada, they were acquitted on the ground that the offence, if any, was committed in a foreign country. If we had had extra-territorial jurisdiction, those men on their return to Canada could have been dealt with under our own law. That is only a single instance but I have no doubt hon. members could recall to mind many instances. There is, of course, the case of bigamy. There are questions arising under our customs laws and the like. I would urge upon the minister to take the question up at once with the Imperial authorities and to see if they will accept the amendment suggested by the hon. member for St. John City. If so, I think we would be justified in going ahead and taking chances in regard to the other difficult questions which might possibly arise at some time in the future. That is only a possibility and, in most instances, a very remote possibility; but in the meantime we are suffering some inconvenience on account of the uncertainty which exists as to the rights of this parliament to legislate now extra-territorially in regard to matters over which it certainly has legislative authority.

Mr. BAXTER: I appreciate my hon. friend's remarks, but I still feel a great difficulty as to how the British parliament can give us any power to legislate extra-territorially except it be within the limits of the British Empire. If people go to Detroit to form a conspiracy, form it and execute it there, I fail to see how the British parliament can

give us any power to make criminal an act which was committed in Detroit. The British parliament may resolve the rather vexed question in reference to naturalization of aliens. My opinion—and it may not be worth much—is that when we have naturalized a man in Canada, we have made him a British subject throughout the world. The contrary seems to have been held. But even if I am wrong about that, the British parliament could certainly give us power to enact laws which would bind British subjects resident in Canada wherever they might go, and make our law follow them; but that law would only be enforceable when they came within our territorial jurisdiction. That is rather mixing-up two things. We ask to get extra-territoriality for our laws. That cannot be given by any legislative power in the world but we may achieve the same results by treaty. What we may get is a declaration that Canadian laws shall bind subjects of His Majesty resident in Canada wherever they may go in the world. There is a very radical distinction, and I think perhaps the present resolution is climbing up the wrong tree.

Mr. LAPOINTE: The first amendment—

Mr. SPEAKER: Except by general consent of the House this matter cannot be debated.

Mr. LAPOINTE: The first amendment stated that this parliament would have the same right as the parliament of the United Kingdom with regard to extra-territorial powers, and no exception was taken on that ground. None of the law officers suggested that the Imperial parliament had no such power, as my hon. friend suggests now. There is no doubt they cannot take proceedings against British subjects in foreign countries, but they can bind their subjects for offences committed in those countries when they come back, and the British courts are enforcing such extra-territorial powers when expressed in an Imperial act. My hon. friend says that Mr. Justice Anglin, in a very able article agreed with his own view of the matter; but Mr. Justice Anglin stated that in his opinion we had no such extra-territorial rights. It is exactly because men of high standing have expressed the opinion that we do not possess those rights that we are asking that there shall be no doubt in the matter and that the Imperial parliament should recognize our undoubted right to have these extra-territorial rights validated by legislation.

Mr. BAXTER: What my hon. friend wants is personal application of the law.

[Mr. Baxter.]

Mr. LAPOINTE: When subjects are in foreign countries, exactly as the subjects of a sovereign power have. My hon. friend says it may bring conflict with the other dominions. I do not see how it can bring any conflict. In the other dominions the same question has been discussed, and gentlemen of high standing in Australia and New Zealand have contended that the dominions possess that extra-territorial power at the present time. Others are of a different opinion. There is no possible conflict as between the dominions in that respect. They will have the same right and power that the Dominion of Canada has. All that the former Minister of Justice wanted was a formal definite and clear expression on the subject by the Imperial parliament.

I have really no objection to the amendment suggested by my hon. friend. However, I do not think it adds anything to the resolution. The present wording of the resolution has been discussed for a couple of years and has been finally agreed to by both governments, and it seems a pity that we should change it in any way. However, if my hon. friend insists, I am willing to agree to the amendment he suggests.

Mr. BAXTER: I will not put it on the grounds of insisting. I am trying to let the minister see the way this matter strikes me, and if he finds anything in my suggestion that he considers of value, he is most heartily welcome to it; and if he thinks it is not worth while making any change, I shall have no quarrel.

Mr. LAPOINTE: The words of my hon. friend and my own words will certainly serve in the interpretation of the meaning of this resolution in any discussion in regard to it in the future. Nobody in this parliament desires to interfere in any way with provincial rights.

Mr. BAXTER: The minister will realize that in the English-speaking countries the debates of parliament cannot be referred to as indicative of the intention of the legislature. Only the language employed in the act can be referred to.

Mr. MEIGHEN: Will the minister say what he purposes doing after the passing of this legislation? There is still another step.

Mr. LAPOINTE: Yes. The Senate will pass a resolution and it will be forwarded to the Imperial parliament.

Mr. MEIGHEN: The reason I asked was that formerly the action of parliament took the form of an address to the throne from

both Houses. A mere resolution does not take that form, and it occurred to me that the minister should have an address to the throne, concurred in by both Houses.

Mr. LAPOINTE: There will be a joint address after the Senate passes the resolution.

Mr. MEIGHEN: Does the joint address come before parliament?

Mr. LAPOINTE: Yes.

Mr. SPEAKER: Legislation having for its object to amend the Imperial act must proceed by way of an address to His Majesty. But this resolution is only in regard to the principle, and when it comes jointly from the Senate and House of Commons, it will take the form of an address.

Motion agreed to.

INDIAN ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior) moved the second reading of Bill No. 172, to amend the Indian Act.

Mr. MEIGHEN: This bill is not included in those we have notice of. Is it the subject we dealt with before?

Mr. STEWART (Argenteuil): We had a slight discussion upon this last week, but it is not the bill we were discussing at some length dealing with the agreement between the federal government and the government of Ontario.

Mr. MEIGHEN: I have no objection to going on with this bill, provided that if later I see an objection of any magnitude, the minister will carry the discussion over to another date.

Mr. STEWART (Argenteuil): Yes.

Mr. IRVINE: Mr. Speaker, I understand there are a number of gentlemen who would like to express their views on this bill, but who are not in the House, relying on the understanding given by the government last week. I would ask that the bill stand until Tuesday.

Mr. STEWART (Argenteuil): There is no objection to the bill standing over until tomorrow, but I think my hon. friend is under a misapprehension. The bill to which exception is taken by some hon. members is that dealing with the argeement between the federal government and the government of Ontario.

Mr. IRVINE: Then I have no objection.

Motion agreed to and bill read the second time.

Mr. STEWART (Argenteuil) moved that the House go into committee on the bill.

Mr. MEIGHEN: Before we go into committee would the minister state pretty fully the purpose of the amendments?

Mr. STEWART (Argenteuil): The first section provides for bringing the Eskimos under the provisions of the Indian Act. As we are now, establishing police posts in the north, we have to deal with the Eskimos to a considerable extent, and therefore I think it wise to bring them under the Indian Act.

Mr. MEIGHEN: Has the Indian Act never applied to any band of Eskimos at all?

Mr. STEWART (Argenteuil): They are not mentioned in the act.

Mr. MEIGHEN: If such is the fact, I have been under a misapprehension.

Mr. STEWART (Argenteuil): This is the first attempt to bring the Eskimos definitely under the Indian Act.

Mr. MEIGHEN: Have they not been taken care of?

Mr. STEWART (Argenteuil): Yes, they have received relief grants through the agency of the mounted police.

Motion agreed to and the House went into committee on the bill, Mr. Gordon in the chair.

On section 1—Superintendent General to have control of Eskimo affairs.

Mr. MEIGHEN: Perhaps the minister will state what advantage this is to be. My impression has always been that Eskimos were considered Indians for the purpose of the Indian Act. The minister may remember that a terrible holocaust swept the Ungava peninsula some years ago and stripped it of the deer which were the principal source of food of the Eskimos, and from that time on we had to take care of them under the Indian Act and provide them with a new supply of deer. If that was done in the past why is any amendment necessary? Will the minister say under the authority of what act the Eskimos were looked after?

Mr. STEWART (Argenteuil): Since I have been in charge of the department most of the relief given to the Eskimos has been through the agency of the Royal Canadian Mounted Police, under the jurisdiction largely of the Northwest Territories. Where they have been subject to famine, food and other relief has been accorded them. Really no distinction has been made between Indians

and Eskimos. One of the chief reasons for bringing the Eskimos definitely under the Indian Act is that at Aklavic at the mouth of the Mackenzie river, where traders from Canada and the United States are active, many of the Eskimos are fairly well off, and it is doubtful whether anyone has jurisdiction over them, although we have been treating them to all intents and purposes as Indians.

Mr. MEIGHEN: Has the minister before him the definition of Indian in the act?

Mr. STEWART (Argenteuil): Yes, this is the definition:

"Indian" means any male person of Indian blood reputed to belong to a particular band; any child of such person; any woman who is or was lawfully married to such person.

Mr. MEIGHEN: Then there is no definition of Indian at all, except that a person to be an Indian must be a member of a band, and, I presume, a band with whom we have made a treaty. Well, the Eskimos go in bands, too. I always regard an Indian as a native of Canada; and the Eskimo is certainly just as much a native in that sense—that he was here before Columbus.

Mr. MACDONALD (Pictou): An aborigine.

Mr. MEIGHEN: Yes. Consequently he appears to be covered by the act as much as he ever need be covered. Then I call this to the attention of the minister: we have never made any treaty with Eskimo bands. Personally I do not feel disposed to treat the Eskimos on that basis. My own opinon would be to leave them alone—make them comply with our criminal law and give them all the benefit of our civil law; in other words, treat them as everybody else is treated. I should not like to see the same policy precisely applied to the Eskimos as we have applied to the Indian.

Mr. STEWART (Argenteuil): In what particular does my right hon. friend object?

Mr. MEIGHEN: I object to nursing. I really think the nursing of our Indians has hurt them. The best policy we can adopt towards the Eskimos is to leave them alone. They are in a latitude where no one will ever bother them.

Mr. STEWART (Argenteuil): I am inclined to agree with my right hon. friend, except that we are forced to assist the Eskimos just as we are forced to assist the Indians. The white man came and took away the Indians' means of livelihood.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: He will never take the Eskimos'.

Mr. STEWART (Argenteuil): It is being done at the moment. I am not asking that the Eskimos be placed under the department in order that they may be made wards of the government, nor is it my desire that the effect shall be to make them dependent upon the people of Canada for a livelihood. But white men are going amongst them; the missionaries are beginning to require education for the children, and for that reason I think it is advisable that we have the Indian Act apply to the Eskimos. Of course whether they are under the Indian Act or not, if famine strikes a band of these people we must come to their relief.

Mr. MEIGHEN: Is the minister not doing by this section just what he does not want to do, namely, make the Eskimos wards of the Dominion? I do not want to make the Eskimos wards at all, and in that I agree with the minister. Give them all the rights that our Canadians have. There will be no invasion of their domain on our part and there will be very little invasion of ours on theirs if any at all. So far as they want to come, let them come. The minister is also right when he says that if there is a famine we ought to try to help them, the same as we do anybody else in our country, especially the same as we do the aborigines of our country. But do not let us start on the path making them wards. Perhaps the next thing we hear the Eskimos will be over at the League of Nations.

Mr. STEWART (Argenteuil): We have never, so far as I know, entered into any treaty with the Eskimos. They have not been treated as a band, although they actually are a band, with their chiefs, following the Indian mode of life. The white trader is going in among them, so much so that we have been forced to establish police posts in those localities. We must have some regulation by which we can deal with these people, outside of any question of their becoming wards of the government.

Mr. MEIGHEN: The minister is doing here just what he said he did not want to do. Let me read the section:

The Superintendent General of Indian Affairs shall have the control and management of the lands and property of the Eskimos in Canada and the provisions of Part I of the Indian Act shall apply to the said Eskimo in so far as they are applicable to their condition and mode of life, and the Department of Indian Affairs shall have the management, charge and direction of Eskimo affairs.

That simply means that hereafter the Eskimos are to be considered wards of the Dominion, with all the consequences of that relationship. For example, an Indian to-day cannot be sued; an Eskimo can. I do not suppose he ever is, but if this bill passes he never can be. The government is in possession of his property; the government has made him a child. The minister says that left to their own resources some of them are already pretty well off. Well, there are not any Indians very well of, or mighty few.

Mr. STEWART (Argenteuil): Oh yes.

Mr. MEIGHEN: After seventy-five years of tutelage and nursing, for the most part they are still helpless on our hands. I do not think we could have treated the Indian differently, and we treat him generously yet. But the Eskimo is different in this regard. The only air he can breathe is the northern air. There is where he is going to stay; there is where we are not going to go in very great numbers. Let us give the Eskimo the full benefit of our civil law; if necessary give him the benefit of special precautions to see that he is not imposed on. But I do think we are taking a pretty serious step when by this bill we put our wings all around his property and tell him he is our ward and that we will look after him.

Mr. STEWART (Argenteuil): It is the opinion of the officers who have to do with the Eskimos that they would be much better under some such provision as is proposed. There is no doubt that many of them are comfortably off. Some of them own their own fishing boats—and by the way, some of these boats were ordered in Canada this year, costing about $4,000 or $5,000, and were sent north. Of course the Eskimos come under the general law that protects a Canadian citizen, but they do not get the same protection that the Indian Act would provide. If my right hon. friend argues that they should be left as they are, in ownership of their territory, allowing them to protect themselves unless they get into trouble —well, I hardly agree with him. However, I am not particularly anxious to press the bill if there is a feeling that we should not undertake this responsibility and place the matter under the control of some department.

Mr. MEIGHEN: I have no objection to one of the departments having charge of Eskimo affairs, and I have no doubt that the Indian department is the right one, to see that the officers of the law are there, to see that our general civil rights are given them to the full, and to see as well that they are not left to starve; that on the principle of relief, and that principle alone, we may help them the same as any others who are in distress. But what I object to is that we should make the whole population our wards from this day henceforth and make their property legally ours, they simply enjoying the use of it; bringing them into the category of the Indians, with all the responsibility entailed. I think it is a mistake.

Mr. STEWART (Argenteuil): Would my right hon. friend be content with the simple statement that for the purposes of administration the Eskimos should come under the control of the Department of Indian Affairs, without any question of taking control of their lands as is provided in this section?

Mr. MEIGHEN: Well, I am not sure that that would get just what I want.

Mr. CARROLL: I was going to ask the minister a moment ago whether any request had been made to the government by the Eskimos through their chiefs that they be brought within the provisions of the Indian Act. But apart from that I do not think that at this stage the government should bring any persons in as wards of this country. If the Eskimo is the person I understand him to be, any such provision would only make him less ambitious to earn his own living. The Eskimos are a thrifty people, and aside from some unforeseen occurrence, such as the loss of the animals which constitute their crop, they have done about as well as most other people. The next thing we shall have here will be the Doukhobors, if they get into trouble, asking to be brought in as wards of the government. These people are really not natives of Canada; they come in from some other place, and they find that in that part of the country they can eke out a living where they could not do it anywhere else. So far as being imposed upon is concerned, there are many people in this country who are imposed upon. If the Eskimos are in hard luck, if their crops are ruined, the government extends a charitable hand to them, but that is no reason why this government should undertake to make wards of such people. There might be considerable difficulty in doing that. As I understand the provisions of the Indian Act, the consent of the Indians must be first obtained before certain things can be done, especially in regard to property and estates, which are owned by the government.

I agree with the leader of the opposition that we should have more information upon this question and ascertain definitely why the Department of Indian Affairs wants to pass this amendment. So far as being imposed upon is concerned, perhaps fifty per cent of the people in this country are imposed on at some time or another in matters of trade and business, but that is no reason for making them wards of the government, and I presume the Eskimos are in the same category. I, for one, with the information that is before us, cannot concur in this legislation. I do not think the fact that we have been giving the Eskimos a little charity, and the further fact that they have been imposed upon, is sufficient reason for bringing them under the Indian Act.

Mr. IRVINE: I certainly agree with the remarks of the previous speaker (Mr. Carroll), and also with the argument put forward by the leader of the opposition. But not only is it a bad thing for us to take the Eskimos on our knee as wards; there is another objection to this clause, perhaps equally as great. What, for instance, are the aboriginal rights of these people? Have they any rights, for instance, to the lands they now occupy? Have they entered into consultation with the Dominion government asking that the Superintendent General should administer their lands? If not, it might only lead to a great deal of trouble if we were to assume the right to administer their lands without consulting with them as to their aboriginal rights.

Mr. STEWART (Argenteuil): I am afraid my hon. friends have the idea that the Eskimo in his habits is similar to the Indian, but this is not the fact. The Eskimo, except in rare cases, does not live in definite localities. He follows his food, wherever it may be. True, he returns to certain points for fishing, and that sort of thing. On the other hand, the Indians from time immemorial had definite localities where they established themselves as tribes. The Hurons and the Algonquins, for instance, all had definite areas in which they lived long before the white man came to Canada. That is part of the difficulty in British Columbia to-day; these various tribes had definite locations which they called their own. But the Eskimo does not follow that mode of life to the same extent, and so far as I know he has not laid claim to aboriginal rights or title to his land. He is established in Aklavik, which is probably the best settled district where the Eskimos congregate, has established his home there, and undoubtedly through right of tenure could lay claim to that particular locality; but there is the whole of that immense territory in the north over which the Eskimos roam, and to which, just recently, owing to the very great increase in the price of fur, the attention of the white man has been directed. He is trading with them, and is bringing his mode of trade and of life amongst them; there is more contact being had to-day than ever before with the Eskimo tribes in the north. Now, whether or not you strip this amendment of the wording that deals with the land altogether, I do think that some department of the government should be designated to have some supervision over the Eskimo tribes. I am not particular about taking control of the land or bringing them as wards under the control of the government, but whether you do that or not, this government in times of distress must come to the rescue of these people, and in order to avoid that as much as possible, and to prevent disease getting amongst them, if that is possible, it should be made the business of some department of the government to look after these people and render them such protection as the government can afford, for after all they are citizens and natives of that territory, and there is much more trade going on in that territory than ever before.

Mr. IRVINE: I appreciate the difference between the actual position of the Eskimo and that of the Indian, as put forward by the minister, but it is not so fundamental as it would appear. It is agreed, I presume, that the Eskimo is not so definitely fixed at one point, but it is equally true that he is fixed, and very definitely fixed, in a certain latitude, and he looks upon that territory as his home just as much as the Indian looked upon certain areas of this country as his home. I would suggest that the minister take whatever steps are necessary to prevent the white man from robbing the Eskimo, but keep away altogether from taking any control over his land.

Mr. STEWART (Argenteuil): We can let this section stand for re-drafting. I would like to consult with the solicitor of the department and have it re-drafted to cover what appears to be the consensus of opinion of the committee, namely, that it should be just a matter of control, without making a ward of the Eskimo.

Mr. MEIGHEN: The minister should remember that the distinction that really counts

is the one that he has not mentioned. In the case of the Indian, there was a certain territory that the Indian occupied and used. We took that territory, and we therefore had to make terms with the Indian. We had to live among him. We could not live among him on an equality, because he was not of a status to warrant it. We therefore made him our ward. There may be some question of the rightness of making him our ward, but it has been done, and we have paid a frightful penalty for it so far. On the other hand, we are not taking the Eskimo's land; we do not need to make any treaty with him. He is in free possession of his territory. It may be he now has facility to sell what he could not sell before, but in so far as that is concerned, it has helped him, and—

Mr. STEWART (Argenteuil): A serious situation would arise if we got into a dispute over the sale of the territory.

Mr. MEIGHEN: Yes, I would keep away from that; I would not cross the bridge till I got to it. In the meantime I suggest to the minister that he use the agency we have had all along; I think it is under himself; he is the minister in charge of the Northwest Territories, and has a commissioner there. It would seem to me this commissioner and his organization, very small, if he has any, comes in contact with the Eskimo, and has in the past, and utilizes the mounted police, and this is probably the best means. I fancy the minister's deputy is ill advised in trying to bring in the Eskimo in any special way now.

Mr. STEWART (Argenteuil): All I am asking is that we should settle definitely who is to deal with the Eskimo, because up to now we have been voting sums of money that have been spent upon him, largely for relief purposes, it is true, through the agency of the mounted police. I do not think it would be well to put the Eskimo under the control of the Department of Justice, because as my hon. friend pointed out, the Interior department is in control of the Northwest Territories.

Mr. MEIGHEN: It should be the Interior department.

Mr. STEWART (Argenteuil): If it should be the Interior department, I think we should in some way set it out. If it is agreeable to the committee we will let this section stand until I have had an opportunity of discussing it further with the department.

Section stands.

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On section 2—Administration of Indian estates.

Mr. MEIGHEN: The minister did not get through with his explanation.

Mr. STEWART (Argenteuil): This is simply to make clearer the action that can be taken in the case of an insane Indian. As my right hon. friend knows, in most of the provinces some individual is appointed by the provincial authorities to administer the estates of insane persons. This legislation will, to some extent, give us control of an insane Indian's estate.

Mr. MEIGHEN: I am very much mistaken if the minister has not this power already. In my time we administered the estates of insane Indians. It may have been that something was lacking legally but if so I never knew it.

Mr. STEWART (Argenteuil): We had not the authority to take the proceeds of any Indian property in order to maintain an insane Indian in a hospital.

Mr. MEIGHEN: Does the minister happen to have a memorandum on this one clause?

Mr. STEWART (Argenteuil): I have not other than what is set forth here. I was looking up the act but I think it is evident the law needs to be clarified in order to enable us to do what we contemplate. The act is not sufficiently clear to enable us to use the proceeds from any property owned by the insane person to maintain him in the hospital. That is all that this provides for.

Mr. MEIGHEN: I certainly have no objection to the power being granted, but I am astonished if it does not already exist. What has been done during the past fifty years? Nobody would suggest that no Indians have gone insane, there have been quite a lot of them, and we must have been managing their property?

Mr. STEWART (Argenteuil): This provision is to make it clear that we can exercise the necessary authority to pay for the maintenance of the insane person.

Section agreed to.

On section 3—Inheritance of Indian dying without issue.

Mr. MEIGHEN: I suggest that we call it six o'clock. This clause will take some time because there is quite a lot of explanation required.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

On section 3—Inheritance of Indian dying without issue.

Mr. STEWART (Argenteuil): The word "Indian" has been struck out in the fourth line of section 28 to enable the nearest of kin who do not happen to be Indians to share in the distribution of the estate of their deceased relative who may be an Indian. We have a number of mixed marriages amongst the Indians, and whenever an Indian woman marries a white man she ceases to be a member of the band and ceases to have any rights in that connection. If her brother or sister dies possessed of property, this is to enable her to participate in the distribution of that property, the same as other relatives.

Mr. MEIGHEN: Was the last clause in the act before, the proviso regarding inheritance rights?

Mr. STEWART (Argenteuil): Yes, it is section 28 which reads:

> In case any Indian dies intestate, without issue, leaving a widow of good moral character, all his property of whatever kind shall devolve upon her, and if he leaves no widow, the same shall devolve, upon the Indian nearest of kin to the deceased: Provided that any interest which he may have had in land in a reserve shall be vested in His Majesty for the benefit of the band owning such reserve if his nearest of kin is more remote than a brother or sister.

Mr. MEIGHEN: Supposing he leaves a widow not of good moral character, what happens? This act is utterly silent as to what happens then. Who is the judge of her character? Is it the minister?

Mr. STEWART (Argenteuil): Usually the Superintendent General is the judge in matters of that kind. The Indian Act gives him pretty wide powers, as my right hon. friend knows.

Mr. MEIGHEN: It seems to me that the word "such" should be inserted before the word "widow" in the fourth line of section 28:

> If he leaves no such widow.

Mr. STEWART (Argenteuil): I do not just follow my right hon. friend there.

Mr. MEIGHEN: As the act reads now, in case an Indian dies leaving a widow of good moral character, she gets his estate. The next clause says that if he does not leave a widow at all, his estate goes to the next of kin. There is still another contingency which is not provided for, that is, if he leaves a widow who is not of good moral character. What becomes of the estate then?

Mr. McMASTER: This discussion seems to be carried on in an amiable but almost inaudible fashion.

Mr. MEIGHEN: It is really on a subject that the hon. member should scarcely hear any way. I suggest that he come closer if he is anxious to hear the discussion. The act is in a form in which it should not remain in that respect. If the minister wants to keep it the way it is—and I have no objection—he should insert the word "such" before the word "widow".

Mr. STEWART (Argenteuil): In that regard the wording is the same as in the old section 28. The only amendment we are seeking to make is to bring in relatives of the deceased who are debarred on account of marriage to white persons.

Mr. MEIGHEN: It is wholly wrong. The word "such" should be inserted.

Mr. STEWART (Argenteuil): Frankly, I do not see how that is going to change the condition of the widow. She has to be of good moral character now.

Mr. MEIGHEN: There are three events that may happen. The Indian may leave a widow of good moral character; he may leave a widow of bad moral character or he may leave no widow at all. The first and last are provided for. In the first case the widow gets the estate. In the last, the next of kin gets it, but no provision at all is made for the middle case. There would be if the minister inserted the word "such". Then the next of kin would get the estate. That is what is intended, but the act is silent.

Mr. BLACK (Yukon): Is it the intention to debar a widow who is not of good moral character?

Mr. STEWART (Argenteuil): There is no doubt about that, or the words "good moral character" would not have been inserted. As we are letting the others stand, we will let this section stand.

Section stands.

Section 4, sub-section (2)—Powers of superintendent exercised by deputy. When cancellation not invalid or defective.

Mr. MEIGHEN: The explanation simply reads that section 61, which is the section amended, does not provide as it stands for the observance of any formalities in carrying out the cancellation of a sale or lease for violation of the conditions of such sale or lease. This amendment is to embody in the act what has always been the practice with

respect to cancellations; that is to say, it is intended to provide a written form which is to be effective for purposes of cancellation. Is this the practice?

Mr. STEWART (Argenteuil): It is practically following out the provisions of the cancellation proceedings provided in leases in the Department of the Interior. There was a question as to the right or authority under the act of the Superintendent General to cancel. This provision is simply making it clear that he has that authority. A question has been raised as to the delivery of the notice. We have been attacked on two counts, namely that the Deputy Superintendent General had not the power to cancel, and that our notification was not regular; and as there have been a great many cancellations—in fact all cancellations have been made by the Superintendent General—we are making it clear that he has that authority, and validating those cancellations which he has made. We have to read clauses 3 and 4 to get the full sense of the amendment to section 61. While we are doing that we are not affecting any rights of any individual who has entered action prior to May, 1924. This is what we did in connection with the validation of leases in the Mining Act a couple of years ago.

Mr. MEIGHEN: The English seems to be bad. Take the infinitive in the fourth last line—how does that work in as an infinitive? I cannot see it. I will read it aloud so that hon. members will understand it. It says:

> For the purposes of this section the powers and authorities conferred upon the Superintendent General shall be and be deemed always to have been exercisable by the Deputy Superintendent General.

That is all right. The section continues:

> And in any case where the Superintendent General or the Deputy Superintendent General has heretofore cancelled any sale or lease, or shall hereafter cancel any sale or lease, for any of the causes mentioned in this section, such cancellation shall not be or be deemed to have been invalid, defective, or irregular by reason only of the fact that the purchaser or the lessee, his heirs executors, administrators or assigns, or, if the purchaser or lessee be a corporation, the corporation, its successors or assigns, or any person claiming by, through or under him, it or them, was not notified previously to such cancellation of intention to cancel, or to consider the facts of the case with a view to determining the execution of the power of cancellation.

I can say definitely that it is hopeless. I will not be criticised for using that word again. It makes no sense. To put it briefly, the section says that, for the purposes of this section, the Superintendent General or the Deputy Superintendent General shall be deemed to have had the power of the minister. That is all right. Then it says that any cancellation previously effected or to be effected shall not be deemed to be invalid because the party whose lease was cancelled got no notice previous to cancellation. Up to that point, whether it is good law or not, it is good sense; but it goes on and says "or to consider." Who is to consider? What does that mean? It does not mean anything. It looks as if it had fallen in from some other act. It has no place there.

Mr. STEWART (Argenteuil): It is dealing with corporations there pure and simple. It may not be very clear, but we have so many cases in which corporations are interested in these purchases that it is difficult sometimes to know who the parties are. So that it is an endeavour to cover any point that may be raised in connection with the communications with the representatives or otherwise of the corporations. Dealing with individuals it is perfectly clear. My hon. friend will remember that a great many of those agreements of sale are made. The agreement of sale is sometimes sold to somebody else. Perhaps two or three individuals have dealt in this property, and then suddenly they all fail to pay, and, in order to clear up the property we are taking this precaution, and they shall be notified. Then we have the case of the corporation which purchases. Any number of complications arise about the purchase of the property, and we are simply seeking to cover the whole of it.

Mr. BAXTER: I see a possible way of getting the language together, but no way that would make it decent English in that construction. I do not know that anybody is finding fault with what the minister wants to do, but whoever has been employed to put the minister's meaning into English has used neither English nor French, the only two languages recognized in this parliament, and we are not conversant with any other.

Mr. MEIGHEN: It makes no sense at all. I think I see what the minister is after, but he has not got it. I could not see it for a long while. What is the sense of saying that a cancellation cannot be invalid merely by reason of the fact that the authority cancelled it under notice previously of such cancellation or intention to cancel? The word "of" should be "or"; that is plainly a misprint. It reads "previously to such cancellation of intention." How could you cancel an intention to cancel?

Mr. STEWART (Argenteuil): Not having a legal training—

Mr. MEIGHEN: One is better without it in this case.

Mr. STEWART (Argenteuil):— I do not wish to argue it. But I see my right hon. friend's contention.

Mr. MANION: I wonder these sections are not divided into reasonably short sentences. For instance, this subsection contains nineteen lines, averaging about ten words to a line, or about 190 words. No one but a lawyer has any idea of the beginning of the sentence by the time he reaches the end. I would suggest to the minister that he put this bill into the hands of an ordinary sensible layman instead of a lawyer, to recast it in good English.

Mr. BAXTER: Then we will have litigation for the rest of our lives.

Mr. STEWART (Argenteuil): Of course, I am not a legal draftsman. I will have the subsection re-drafted.

Mr. MEIGHEN: Assuming we have here what the draftsman intended to say, is the minister not going a little too far? I am willing to support him in going to great lengths in validating cancellations the result of mere technicalities, but here he is asking that every cancellation be declared valid even though the purchaser or lessee had not only no notice of it at all, but no notice of intention.

Mr. STEWART (Argenteuil): That is not the intention.

Mr. MEIGHEN: But that is what is here.

Mr. STEWART (Argenteuil): I admit that on the face of it it appears so. It is very difficult to notify all the interested parties in one of these deals, and your cancellation proceedings may be invalidated by the mere fact that although you have been careful to notify the original purchaser, his equity has disappeared by assignment or otherwise and he is no longer an interested party. What I want is to ensure the purchaser being properly notified, and that is always done, but our difficulty is caused by so many transfers having taken place. I am informed that this was drafted by the Department of Justice.

Mr. MARTELL: If we are interpreting a statute in the courts, we cannot say, "Well, parliament intended so and so." The act must speak for itself whether its express words give the intention of parliament or not. I agree with the hon. member for Fort William and Rainy River (Mr. Manion) that these lengthy sections should be broken up into various subsections so as to thoroughly convey to the reader what is the intent of the section. Some people may say, "Lawyers want to becloud the issue in order to get cases." That is not so. Lawyers always know what they are doing. They may disagree at times, and their clients may have to pay for such disagreement, but only after a thorough presentation of both sides of the case. It has been said that when a doctor makes a mistake he buries it;—

Mr. SHEARD: Order.

Mr. MARTELL:—but lawyers seldom make mistakes which their clients have to pay for. The average lawyer to-day who has any respect for his profession discourages litigation, for he does not make money by going into court. Therefore statutes should be worded as plainly as possible in order that "he who runs may read". But however plainly the intention of parliament may be stated in a statute, I am sure my fellow-practitioner will agree with me that finally only an intelligent lawyer can interpret its true meaning.

Mr. MEIGHEN: I make this suggestion to the minister in so far as the wording goes, unless he intends to recast the whole sentence, namely, that after the word "or" he insert the words "of intention," so the sentence will read, "or of intention to consider." Then with a reasonable effort a layman can get at the meaning.

Mr. BAXTER: It is badly expressed.

Mr. MEIGHEN: I do not say that that is the only improvement which might be made, but it undoubtedly would be a very great improvement at the most obscure point. Would the minister also bring a statement from his law clerk, Mr. Williams, as to really all that he intends to accomplish by this section? He is accomplishing so much that he is in danger of simply cutting out the rights of the most bona fide purchasers. According to this subsection he validates every cancellation not only if the interested party got no notice but even though he never knew of the cancellation. The minister says, "Yes, but we do not want to do that; all we want is to see that we are not declaring invalid any sale or lease merely because some one holding shares in a company was not notified." Well, no man because he holds an interest in a company is entitled to individual notice; he never was. There must be some mistake about that. But if there are partners, and they are on record in the department, they are all entitled to notice; and the minister would never ask parliament to pass an act which would declare those partners not entitled

to notice. I am not at all clear what the departmental officers intend by this section. If I am clear, and it does not extend too far, I am prepared to go a long way with the minister to validate cancellations.

Mr. STEWART (Argenteuil): It is just possible that the Department of Justice has tried to cover every contingency. All we want to do is to clear up the question whether the Deputy Superintendent General had authority to sign for the department. That is necessary owing to the fact that hundreds of these leases and sales have been cancelled by the action of the Deputy Superintendent General. Then, there is the question of notification. No cancellation proceedings are ever taken until notice has been repeatedly sent to the person in arrears. Some of these sales run over a period of ten years. A short time ago, on the Galician reserve, we could get no response from two or three parties who were interested in a sale —Americans—although an examination of the files showed that they had been repeatedly notified. The sale was cancelled and the land was subsequently sold, and the parties interested have now turned up and make certain demands, one of the grounds of their claim being that the Deputy Superintendent General had not authority to cancel and that notification had not been properly sent them, although they had been notified at their last known address. Then we have the other complicated case where those agreements are sold to or traded in with other parties and we do not know who may have an interest in them. We have no notification of their interest until after cancellation proceedings take place; then the other parties suddenly turn up with an interest in the property and say that they have not been notified. These are the cases that we want to cover in this section.

Mr. MEIGHEN: The minister has made very clear why the first part is necessary, and in that I cordially support him. He has not, however, made clear to me the second part, because if these men are not on the record of the department as purchasers from a purchaser or otherwise they are not entitled to any notice, and though they might hang around here until doomsday the minister would be justified in ignoring them. He does not need the section for this purpose; there must be some other.

Mr. STEWART (Argenteuil): I am advised by the Justice department that with respect to one case the best thing we can do is to return the money, although we did all we thought was necessary to cover the case. The question is involved there of the Deputy Superintendent General's authority, as well as the matter of notification and a second party appearing in the transaction.

Mr. BAXTER: If an official is charged with the performance of a duty before a right can be cancelled, there is no good reason why that duty should not be performed literally and practically in accordance with the statute. The difficulty with the government and with most public bodies is found in the slipshod work of officials who come to think that anything will do. It is quite right that there should be some notice. I do not think any one wishes to put the law in the position that my right hon. leader (Mr. Meighen) suggests it would be by this amendment, whereby cancellation could be made without notice of any kind. Very often the courts act without notifying every one in interest. They take what is called a representative of a class, and it is held that where a given class of people have the same sort of interest, service of a notice upon any one of that class is sufficient. A great deal of property is dealt with in that way. The minister might add some provision that the notification, however irregular in form it might be, would be good provided it had been given in accordance with the rules to some one of the class of persons who have an actual interest. But I do not think there ought to be an entire dispensing with any effort to let people know that it is intended to deal with their rights. That ought to be preserved to some extent, though I am willing to facilitate as much as possible the main objects the minister has in mind.

Mr. STEWART (Argenteuil): I have no desire that the rights of the purchaser or lessee shall not be protected.

Mr. BAXTER: But your section destroys all protection.

Mr. STEWART (Argenteuil): This section is not so much for the future as it is for the past. I agree that for the future we might curtail it to a definite procedure, and that I am willing to do. But here we have cases where the officials acted in good faith, not at all in a slipshod manner, as my hon. friend suggests. Cancellation proceedings have always been preceded by an attempt to locate the person concerned and notify him of the condition in which his contract stood. The main object is to prevent any doubt arising as to the validity of what has happened in the past.

Mr. BAXTER: That could be done by a few simple words.

Mr. STEWART (Argenteuil): We might argue for hours about this. The best thing we can do is to take it back and have it redrafted.

Section stands.

On section 5—Power of Governor in Council over expenditure of capital.

Mr. STEWART (Argenteuil): This is to widen the scope within which we may spend band funds for the purchase of implements or machinery, also to provide for the expenditure of capital moneys standing at the credit of the band upon such improvements or works as will when completed properly represent capital, or as the section goes on to say—

—in the making of loans to members of the band to promote progress, no such loan, however, to exceed in amount one-half of the appraised value of the interest of the borrower in the lands held by him.

Almost every day I have complaints arising out of a rather vicious system that prevails in the Indian department, and that is the agent has authority in case of distress or necessity to authorize the Indian to purchase horses, machinery and equipment in order that he may carry on his farming operations. Members from the prairie provinces have been complaining to me almost every day that these accounts have not been paid. I hope to try and limit this practice to cases of absolute distress; that is, the agent will not have authority to issue these permits except in case of absolute want or distress; and to take the place of that I want to make it a little easier to secure capital moneys for the purpose of assisting the Indians to get started. We have a profit on the greater production scheme of some $60,000, which has been turned into the treasury, and I am going to ask in a supplementary estimate for that sum to be revoted to assist in this very purpose, in order that we may stop this practice of the Indians purchasing from implement companies, from merchants and from farmers stock and the necessary equipment to carry on their farming operations. We will utilize that amount, and in addition the capital funds we have now to the credit of the band, for this purpose.

Mr. MEIGHEN: I see no objection to this section. I think those additions are probably in the interest of the Indians. I do not quite follow the minister, though, on the other phase, namely that relating to the $60,000 which he proposes having in the estimates. Is that greater production money?

[Mr. C. A. Stewart.]

Mr. STEWART (Argenteuil): It is profits from the greater production scheme. Under the act we have to pay it into the treasury, and I am asking for it as a grant for the very purpose set out here, in order that we will be able to loan the Indian money rather than have him go to the merchant and get into debt, with all the trouble that involves.

Mr. MEIGHEN: I want the minister to understand I am not objecting to the section at all; I think it is all right, but when this money is voted is the minister going to allow it to be applied to any cases of the past where agents have authorized purchases where they should not have—in payment of notes given, for example?

Mr. STEWART (Argenteuil): There are cases now where band funds have been used for this very purpose. Of course, the band have always loaned the money. It is the clearing up of all indebtedness I have reference to, but there is no authority for me to do it under the act. I want to try and stop this vicious practice if I can.

Mr. MEIGHEN: I do not think the minister got my point. I emphasize again, the section is right, to enable the minister to advance money for machinery out of band funds, but when he votes the money he speaks of, is he going to permit any of it to be used, not to purchase new machinery or horses or to make a new loan for the Indian's immediate purposes, but rather to pay past debts incurred by the Indians and never before recognized by the department? If he is, well, there is opportunity for frightful favouritism, and I think the minister would be in hot water from the beginning.

Mr. STEWART (Argenteuil): I confess I have a lot of difficulty to know how to straighten these matters out; but no, it is not my intention to use that money for that purpose. What I actually want this money for is to start the younger men farming. My hon. friend knows that when a young man graduates from one of these schools, if he can be induced to marry and settle down, he usually makes a pretty good farmer, but we have no funds from which to loan him money to make a start, and I propose asking for this $60,000 to be revoted to be used for that purpose.

Mr. MILLAR: Did I understand the minister to say none of this money would be available for wiping out past debts?

Mr. STEWART (Argenteuil): Not the money we are discussing now, that is the profits from the greater production scheme.

Mr. MILLAR: But there will be other provision made for that purpose?

Mr. STEWART (Argenteuil): I may say frankly, if money is to be procured for the wiping out of these old debts, if we have to come to that—but I hope we will not; I have been trying to get them squared away and get the practice stopped—the proper thing would be to come to parliament and get money voted for that purpose.

Mr. MEIGHEN: If the minister ever intends to apply money to those purposes, I hope he will give me a chance to put in an application on behalf of very many clients.

Mr. STEWART (Argenteuil): It would be a rather dangerous thing to do.

Mr. MILLAR: I have seen the minister several times about these debts that have been incurred by the Indians, some of them three and four and five years old. I did not intend to take any part in this discussion, but from the remarks of the right hon. leader of the opposition it would rather seem to me that he objects to these old debts being paid.

Mr. MEIGHEN: I object to paying them.

Mr. MILLAR: In that case I think I should refer to the matter. Many of these debts have been incurred as long ago as three and four years. Goods have been sold to the Indians on the signed order of the agent, as agent. Horses, goods from the store, and in some cases oil from the oil tanks have been purchased, not at fictitious prices at all, but on the signed order of the agent, as agent, and when these men delivered their goods to the Indians on the strength of the order signed by the agent, as agent, they certainly felt the government was behind the agent and would see that the bills were paid. Now, after waiting for years, and crops having failed—in one case as the minister knows, a man was burnt out and lost his store and stock, involving a loss of some thirty or forty thousand dollars—if there is any money available I think it should be devoted to wiping out these old debts. I know it is a difficult matter, and I believe the minister is using his very best energies to meet the difficulty and to get the old debts paid, but some of the Indians have died, and others have moved away and feel as though they were paying for a dead horse; they are not willing to make the effort. I think there is no possibility of having these debts paid unless the government takes the matter in hand and pays the debts itself. I do not think the government can afford to be so unjust as to see a man take the goods off his shelf for the Indians on the strength of an order signed by the agent, as agent, and then say: We will not pay those debts. I do not think the government can afford to do that. It is setting an example, I was going to say, of dishonesty. I think there is a moral obligation on the government to wipe these debts out, and I think now would be a proper time for the minister to say just how far he has been able to proceed. He has been trying to meet this difficulty he has told me, and has been doing his utmost in that direction, and I have no complaint to make on that score. He has also been in touch with the Indian Commissioner for the purpose of providing a remedy, and perhaps it would be a satisfaction to those who are expecting some remuneration if the minister would make a statement on the subject so that we would know just where we are.

Mr. STEWART (Argenteuil): This is, of course, one of the very difficult problems that the Superintendent General of Indian Affairs has to face. I point out to my hon. friend that there are faults on both sides. Very frequently the Indians are somewhat easy to persuade that they require horses, implements and food when, perhaps, they do not require them at all; and through the easy methods pursued by the agents obligations were incurred that never should have been entered into at all.

Mr. HOEY: What authority had the agent to endorse these purchases from time to time?

Mr. STEWART (Argenteuil): The agent simply issues an order.

Mr. HOEY: Had he authority to do that?

Mr. STEWART (Argenteuil): On this order the agent says he thinks the Indian worthy of credit. Of course I take no exception to the statement of my hon. friend (Mr. Millar): there is undoubtedly an obligation on the part of the government through their agents. I have now put a stop to that sort of thing, and confined the relief to cases of dire necessity. What I want to do is to stop the practice and try and clean up this indebtedness that exists in practically all of the provinces. I may say that in the province of Alberta we have the matter pretty well in hand; but in Saskatchewan, for some reason or another—I imagine very largely owing to the bad crops and to the conditions that surround the farmers generally—the Indians, as well as

other farmers have been unable to pay their indebtedness. If we have a good agent, and after all that is the greatest asset you could have on a reserve, we will not be very long in cleaning these matters up, except in some particularly aggravated cases. We are endeavouring first to secure the consent of the band for the purpose of liquidating this indebtedness. Undoubtedly before it is finished we will require some assistance in the cleaning-up operations, because as my hon. friend has pointed out in many cases the Indian has died, or otherwise disappeared, and the indebtedness stands. However, I think it will have a good effect if we cease doing that kind of business altogether because there is a temptation on the part of people who have articles to sell to induce the Indian to buy if they can, persuading him that something of the character indicated is needed. The indebtedness is incurred in that way when probably the Indian would be far better off if he were not given assistance at all. That is usually what has happened in the most aggravated cases. However, we are making a real effort to clean up the Saskatchewan situation. It is probably the worst, and it is confined to three or four reserves. The reserve my hon. friend has in his constituency at Broadview is one, the reserve at Touchwood is another, and there are a few other cases which need immediate attention. We hope to be able to clean the entire situation up without having to come to the government for assistance except for a very small amount.

Mr. MILLAR: I think what the minister has said may be true in some parts of Saskatchewan. I could not say positively that there are no cases in the reserve at Broadview, but I know of none. I do know however that in many cases goods were sold that were absolutely needed, goods off the shelf. The man that I spoke of who has the largest account—$6,000 or $5,500—took the goods right from the shelf. I think it would be well if the minister could see some way to use part of this or some other money, to pay part of this obligation in cash immediately, because many of the persons concerned are in dire need and even a settlement at once of a part of the obligation would be a great help. I would ask the minister to give this matter his very best consideration. The district is one where the crop has failed; we have had poor crops for some three or four years, and most of these people are very much in need.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: I am not objecting to the payment, but I warn the minister first that he will be in difficulty if he starts this thing because the number is almost legion. I know myself of many cases—many large and many small—and I protest against any system of picking out a few and providing money to pay them out of the treasury. If the minister is going to pay them all right, but let him come down with a vote for the whole amount; it is the only fair way to do.

Section agreed to.

On section 6—Procedure where wife living apart.

Mr. STEWART (Argenteuil): We have cases where wives have left their husbands and are living in the United States, and it is not desirable that they should be enfranchised along with their husbands. That is why we are asking for this provision.

Section agreed to.

On section 7—Enfranchisement of Indians, section 122a revived.

Mr. STEWART (Argenteuil): The difficulty here is, the Justice department have informed us that although section 122a is retained in the act it is doubtful if it was not cancelled in the amendments of 1920. We are reviving section 122a and making it clear that it remains.

Mr. MEIGHEN: What is section 122a?

Mr. STEWART (Argenteuil): It is set out here; it is in the old act. This is to make it absolutely clear that the section was not struck out in the amendments of 1920.

Mr. MEIGHEN: The explanatory note does not say what it is.

Mr. STEWART (Argenteuil): I will read the section:

If an Indian who holds no land in a reserve, does not reside on a reserve and does not follow the Indian mode of life, makes application to be enfranchised, and satisfies the Superintendent General that he is self-supporting and fit to be enfranchised, and surrenders all claims whatsoever to any interest in the lands of the band to which he belongs, and accepts his share of the funds at the credit of the band including the principal of the annuities of the band, to which share he would have been entitled had he been enfranchised under the foregoing sections of the act, in full of all claims to the property of the band, or in case the band to which he belongs has no funds or principal of annuities, surrenders all claim whatsoever to any property of the band, the Governor in Council may order that such Indian be enfranchised and pay his said share if any, and from the date of such order such Indian, together with his wife and unmarried minor children, shall be held to be enfranchised.

Mr. MEIGHEN: Has the minister the section of 1920?

Mr. STEWART (Argenteuil): No, I have not.

Mr. MEIGHEN: Could the minister give the general effect of it?

Mr. STEWART (Argenteuil): No, I have not the old act here. The purpose is to make it absolutely clear that that section was not cancelled in 1920.

Mr. MEIGHEN: I know it was not the intention to cancel it. The reason I ask is that the minister came down in 1922 with some further amendments and I was never very enthusiastic about them. Is the minister quite clear it was not the 1922 amendments?

9 p.m.

Mr. STEWART (Argenteuil): Yes. The 1922 amendments as my right hon. friend will remember, cancelled some of the drastic powers of the Superintendent General, but they did not interfere with the mode of enfranchisement. The amendment of 1922 was that the enfranchisement should not be carried out without the knowledge of the band. This affected the whole of 122a, so the Justice department said.

Mr. MEIGHEN: The enfranchisement should not be carried out without the consent of the band, and consequently the effect would be to repeal section 122a. I think it is the 1922 section that does the repealing, but it does not matter. We want it restored, and I am satisfied to do that. Does the minister say that it is working out well to have the band virtually in control of the enfranchisement, as was brought about by him in 1922?

Mr. STEWART (Argenteuil): We are not having any difficulty.

Mr. MEIGHEN: How many is the minister enfranchising?

Mr. STEWART (Argenteuil): A very considerable number. A return was brought down fifteen days after the opening of the session. There was only one band, the Six Nations band, which raised any particular objection. The enfranchisement is still going on amongst the Indians, and I think I am safe in saying that it is working out satisfactorily.

Mr. MEIGHEN: My understanding is that, at the rate at which we are going, the enfranchisement is very slow and that our grandchildren will be in their graves and several generations after them before the Indians are citizens. Was it not a mistake to pay so much attention to a recalcitrant band in Brantford county? It does not seem to have mollified them very much. They seem to be going to the League of Nations over our heads.

Mr. GRAHAM: One of the complaints was that we were enfranchising them against their will.

Mr. IRVINE: The minister has explained the meaning of sections 107 and 122a, and he has given us to understand that a number of Indians have been enfranchised under the provisions of those sections, although he does not seem to be clear as to exactly how many have been enfranchised in the last year or two. He has told us that the tribe has to give its consent before an Indian is enfranchised. Is that so?

Mr. STEWART (Argenteuil): Yes, if an enfranchised Indian has common, communal property in the band; otherwise, no.

Mr. IRVINE: To what extent does the enfranchisement of an Indian make him a Canadian citizen?

Mr. STEWART (Argenteuil): He is a Canadian citizen before enfranchisement, but he has not the full right of citizenship, namely the privilege of using a ballot.

Mr. MEIGHEN: After enfranchisement, is it not the case that he has every right that we possess except that he is not a member of parliament?

Mr. IRVINE: That is just what I wanted to find out. Am I to understand that after the Indian has been enfranchised according to this legislation, he may vote?

Mr. STEWART (Argenteuil): The full right of citizenship.

Mr. IRVINE: In that case, will the Elections Act be amended to provide for that?

Mr. STEWART (Argenteuil): That is not necessary.

Mr. MEIGHEN: No, because the Elections Act merely exempts Indians who are wards. He is no longer a ward; he has all the rights of citizenship. He can even take a drink if he can get it by law.

Mr. IRVINE: Have the provisions referred to under section 7 the effect of breaking up the bands or the tribes, perhaps before they are fit for citizenship? Does the minister believe that this is working well?

Mr. STEWART (Argenteuil): There is no doubt about that. There are in Canada a great number of Indians who are educated in the various schools that are provided for them and there is no reason why they should not have the full right of citizenship. The trouble arose over the fact that the Superintendent General had power, without the consent of the band to enfranchise an Indian and demand his share of the communal property. If the Indian has not a communal interest in the band, the band has nothing to say about the matter. He has free will as regards that. He himself makes application always for enfranchisement.

Mr. IRVINE: How many Indians have been given the right to vote?

Mr. STEWART (Argenteuil): If my hon. friend will look at the return that was brought down, he will find out how many were enfranchised last year. When the estimates are brought down, I shall be glad to furnish that information if necessary.

Section agreed to.

On section 8—Trespassing on reserves or cutting or removing.

Mr. STEWART (Argenteuil): This is simply to assist in the better preservation of timber and other property of the band and to provide penalties for the destruction of such property.

Mr. SENN: Does this mean that any man who buys hay from an Indian living on a reserve will have to have a license from the Superintendent General before he can deal with the Indian in that way?

Mr. STEWART (Argenteuil): Not necessarily. He can get a license from the local agent or secure permission of the council. This is to provide penalties when destruction takes place when no permission of any sort is given.

Mr. SENN: Will it be necessary for a buyer of hay to have a license for every Indian he trades with or just a general license to do business with the Indians?

Mr. STEWART (Argenteuil): Just a general license issued by the agent in charge, which would always be by consent of the council.

Mr. MILLAR: This would not cover the case of an Indian who drives a load of hay from the reserve to a neighbouring town and offers that hay for sale?

[Mr. Irvine.]

Mr. STEWART (Argenteuil): No. That is his own property.

Mr. MEIGHEN: One needs to study these provisions carefully to be certain what they mean. Reading this section over, I am of the opinion that it goes too far. I think the minister has a section under which nobody could sell anything off a reserve. It reads:

> Every person, or Indian, other than an Indian of the band to which the reserve belongs, who, without the license in writing of the Superintendent General or of some officer or person deputed by him for that purpose, cuts, carries away or removes from any of the lands, roads or allowances for roads in a reserve, any of the trees, saplings, shrubs, underwood, timber, cordwood, or part of a tree, or hay, or removes any of the stone, soil, minerals, metals or other valuables from the said land, roads or allowances for roads, or who buys any of the above-mentioned materials, shall, on summary conviction thereof before any stipendiary magistrate. . . .

And so forth, be liable. If an Indian on the reserve takes his hay into town and this section passes, nobody can buy that hay unless he has a license to do so. Does the minister intend that?

Mr. STEWART (Argenteuil): That the purchaser should have to have a license?

Mr. MEIGHEN: Yes.

Mr. STEWART (Argenteuil): That is not intended.

Mr. MEIGHEN: That is the result.

Mr. BLACK (Huron): It must be an Indian of the band to which the reserve belongs.

Mr. STEWART (Argenteuil): It is to stop the destruction. In most cases it is wood that is pilfered off these reserves. You require to have a fairly broad provision. Nearly all these men, when they dispose of their produce, have authority from the agent to dispose of it. If it were otherwise the Indian would never keep any money at all. It would be all dissipated. You have to have some control of the Indians, or they would never have a dollar to pay their debts. They would sell their stuff, it would be gone, and that would be the end of it. This is to stop that sort of thing. It may look drastic in the case of a good Indian who is a law-abiding citizen, but you have to make laws for those who are not law-abiding, who will get all the money they can, pauperize themselves by selling everything; their families will get into trouble and the department have to come to their rescue. This measure is intended to cover cases of that kind and to prevent pilfering.

Mr. MEIGHEN: Does the minister mean that no man is able to contract with an Indian to take from that Indian's lands trees or shrubbery or anything else which the agent does not wish the Indian to sell?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: But the agent authorizes the Indian to sell his hay, and the Indian comes to town, and no one can buy that hay unless he has a license.

Mr. STEWART (Argenteuil): No, that is not the intention.

Mr. MEIGHEN: That is the way the act reads.

Mr. STEWART (Argenteuil): If he purchases without the Indian being able to show his authority to sell then you can prosecute.

Mr. MEIGHEN: That is the way it should be, but that is not the way it reads.

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: No. Nobody can buy, unless he has a license, any hay grown on the Indian's land. If the man who buys is an Indian of the band, he is permitted to buy, but if not he cannot buy.

Mr. STEWART (Argenteuil): If the Indian was not in possession of authority from the agent to sell, he should not buy from him.

Mr. MEIGHEN: Even suppose he has authority to sell the hay by license, then the purchaser is not protected according to this section. As a matter of fact, if the Indian is a member of the band he does not need any license at all to sell the hay under this section. It is only one who is not of the band who has to have a license to sell, and very rightly so. But I am assuming now that the man who is selling has a right to sell. The fellow who takes the hay to town has the right to sell it. The minister is preventing anybody buying it under this section. There is no use giving a man a right to sell if everybody is prevented from buying.

Mr. STEWART (Argenteuil): Does the hon. member contend that a man must have a license to buy?

Mr. MEIGHEN: Yes.

Mr. McMASTER: That is the drafting.

Mr. MEIGHEN: The section reads:

> Every person . . . . who, without the license in writing of the Superintendent General, or of some officer or person deputed by him for that purpose, cuts, carries away or removes from any of the lands roads or allowances for roads in a reserve, ... or who buys any of the above-mentioned materials shall on summary conviction thereof before any stipendiary magistrate, police magistrate or any two justices of the peace or an Indian agent, incur in each case the cost of prosecution—

Mr. McMASTER: I think the section is poorly drafted, but if I were called upon to interpret that section I would interpret it in this way:

> —or who buys from someone who has not a license or who is not otherwise authorized—

And so on. I agree with the leader of the opposition that it is not as clearly expressed as it should be, but I think he has put a darker construction upon it than the circumstances of the case really merit.

Mr. STEWART (Argenteuil): I will have this section examined as well as the others.

Mr. SENN: What do the words "or other valuables aforesaid" mean? Does that include live stock?

Mr. MEIGHEN: I do not think it would include live stock.

Mr. STEWART (Argenteuil): What is involved in the section is definitely set out. It does not mention live stock.

Mr. SENN: It says "other valuables as aforesaid."

Mr. MILLAR: Would the minister say that this clause is drafted in such a way that there is no ambiguity about it? The reserves with which I am familiar are not very far from towns of considerable size, and it is a common practice for men to come to town with loads of hay. I have purchased it from them myself. I do not know whether they had a license or not. I may have been liable without knowing it. I think a great many others have bought hay from them without inquiring whether the man had a license or not, and probably did not think he required a license.

Mr. STEWART (Argenteuil): The hon. member was not liable.

Mr. MILLAR: If the clause means what the right hon. leader of the opposition thinks it means, we might be liable.

Mr. MEIGHEN: I have no doubt what it means, but if this clause passes in its present form, it does not matter whether the Indian has a license to sell or not. The buyer would require to have a license.

Mr. McMASTER: That is an extreme interpretation.

Mr. MEIGHEN: I do not want the minister to report to the Minister of Justice that I have said that the clause is badly drafted. I think it is very clear, but it means the wrong thing.

Mr. McMASTER: I would like to answer the leader of the opposition. The clause is not intended to mean what he says it clearly means. In that respect it is not drafted to meet the desires of the government and of the minister in charge.

Progress reported.

LAND TITLES ACT—AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 188, to amend the Land Titles Act.

Motion agreed to, bill read the second time and the House went into committee, Mr. Gordon in the chair.

On section 1—Qualification of registrar and deputy.

Mr. STEWART (Argenteuil): This section is simply to permit us to utilize the gold commissioner, who is not a barrister, for the purpose of registering.

Mr. MEIGHEN: I never knew there was a Land Titles Act for the Dominion. Does it apply just to the Territories?

Mr. STEWART (Argenteuil): To the Territories and the Yukon.

Mr. MEIGHEN: Would not the law as to resgistration be included in the Yukon Act?

Mr. STEWART (Argenteuil): I think not. This amendment is simply to allow us to use the gold commissioner, who is not a barrister, for the purpose of registering all claims that require registration.

Mr. MEIGHEN: Not mining claims?

Mr. STEWART (Argenteuil): Transfers of real property.

Section agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. MEIGHEN: I have no objection to the present gold commissioner being appointed as registrar; he would be quite capable; but does the minister consider it advisable to make the repeal applicable generally?

Mr. STEWART (Argenteuil): It applies only to the Territories and the Yukon.

Mr. MEIGHEN: I know that.

[Mr. McMaster.]

Mr. STEWART (Argenteuil): As my right hon. friend knows, the population of the Yukon is becoming so reduced that the overhead expense of government is enormous. It is in order to cut down the expense that I am asking for this amendment.

Mr. MEIGHEN: All right.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF PUBLIC WORKS—HARBOURS AND RIVERS—NOVA SCOTIA

The CHAIRMAN: Is it the pleasure of the committee that this vote be taken item by item?

Some hon. MEMBERS: Yes.

Apple River—breakwater repairs, $2,000.

Mr. MEIGHEN: Where is Apple river?

Hon. J. H. KING (Minister of Public Works): In the county of Cumberland. The money is needed for repairs to the breakwater approach.

Mr. MEIGHEN: I notice the vote is for repairs. What happened?

Mr. KING (Kootenay): No repairs or improvements have been made to this breakwater since it was constructed in 1907.

Mr. MEIGHEN: Has it been much used?

Mr. KING (Kootenay): It is a farming and lumbering settlement of about two hundred people. The breakwater is to provide shelter for vessels loading lumber, the shipments amounting to between ten and fifteen million feet a year. Shipments are temporarily held up owing to a recent transfer of the lumber property, but will be resumed in the near future.

Mr. MEIGHEN: Were the fifteen million feet shipments lately or long ago?

Mr. KING (Kootenay): Shipments are temporarily held up.

Item agreed to.

Babin's cove—wharf extension, $1,700.

Mr. MEIGHEN: This is a new wharf?

Mr. KING (Kootenay): No, it is to construct an extension to the crib work for a length of twenty feet. The engineer claims that the wharf is so short that there is no room for teams to turn on it or for vessels to tie up in safety. This is the only wharf on the island known as Madam island, that can be used during the winter months. The enlargement of forty feet is urgently required.

Mr. GOULD: What is the total length of the wharf?

Mr. KING (Kootenay): It consists of a block and span one hundred feet long by twenty feet wide, with an "L" twenty-five feet in width projecting twenty feet from the southern side of the outer channel. In 1910 a warehouse twenty-five feet by sixteen feet was built at the head of the wharf, greatly interfering with the turning space for teams. To widen this turning space is the principal reason for the extension.

Mr. GOULD: What industry is carried on on the island?

Mr. KING (Kootenay): There is a general development carried on. The island has a population of 3,000 people.

Sir HENRY DRAYTON: Was this shed put up in such a way that the wharf could not be used?

Mr. KING (Kootenay): Apparently.

Sir HENRY DRAYTON: Was it put up by the same engineer who is now recommending how to undo his mistake?

Mr. KING (Kootenay): I am not sure.

Item agreed to.

Bass River—improvements, $1,500.

Sir HENRY DRAYTON: Where is Bass River?

Mr. KING (Kootenay): Colchester county.

Sir HENRY DRAYTON: What are the improvements to consist of?

Mr. KING (Kootenay): It is to construct a crib protection work for a vessel bed, to be built in two sections; also minor repairs. The vessels go up on the tide and rest on the mud when the tide recedes, and this bed is to hold the vessel on an even keel when the tide is out.

Mr. GOULD: Will this list take care of all the improvements necessary in the way of harbours and wharves in Nova Scotia? That is, shall we have no further items in the supplementary estimates?

Mr. KING (Kootenay): It is pretty hard to say.

Item agreed to.

Bayfield—breakwater repairs, $6,000.

Mr. KING (Kootenay): This is a reconstruction of both sides of breakwater for a distance of 420 feet, the work to be effected by setting stone in concrete.

Sir HENRY DRAYTON: When did the destruction take place?

Mr. KING (Kootenay): In the storm of October 1, 1923.

Item agreed to.

Bay St. Lawrence—breakwater repairs, $5,000.

Mr. KING (Kootenay): That is in Cape Breton North.

Sir HENRY DRAYTON: What has happened here?

Mr. KING (Kootenay): The damage was caused by a storm on October 2nd, 1923. The Department of Marine and Fisheries strongly urged that this breakwater be repaired.

Sir HENRY DRAYTON: What is the report from that department?

Mr KING (Kootenay): I have only a reference to a letter written on October 17, 1923, by the Department of Marine and Fisheries strongly urging that these repairs be made. I have not the letter here.

Sir HENRY DRAYTON: What was the date of the by-election there?

Mr. KING (Kootenay): In August, I think —before the storm anyway.

Mr. GOULD: Of what is this breakwater constructed?

Mr. KING (Kootenay): Of native timber crib work filled with stone.

Item agreed to.

Broad Cove marsh—replacement breakwater wharf, $8,400.

Mr. MEIGHEN: What county is this in?

Mr. KING (Kootenay): Inverness.

Sir HENRY DRAYTON: Why was the work not done last year? Is this because of an anticipated storm that did not arise?

Mr. KING (Kootenay): They had difficulty in getting the labour last fall and the contract was let in March of this year.

Sir HENRY DRAYTON: For what price?

Mr. KING (Kootenay): $7,329. The contractor is with the Sydney Construction Company.

Mr. MEIGHEN: There were hundreds of people out of work; why could not the labour be secured?

Mr. KING (Kootenay): I have not the details as to that.

Mr. MEIGHEN: Perhaps the member for the riding will give us the real reason.

Mr. CHISHOLM: The explanation is simple. It is difficult to get the timber there at that time of the year, and that was really the cause of the delay. Labour was very plentiful down there; we were well employed in that part of the country last year. It is a rather rough country and you need the snow in the winter to get the timber out. The timber is there now and the structure is about completed.

Mr. MEIGHEN: Has the timber that has been brought there been paid for?

Mr. KING (Kootenay): Not yet.

Mr. GOULD: Has the government considered the advisability of making a permanent construction by pouring cement around the rocks in the cribwork?

Mr. KING (Kootenay): I hardly think so.

Mr. GOULD: You will find that concrete construction in every stream and every river in this country where abutments are put in to protect bridges from the action of ice.

Mr. KING (Kootenay): That is solid concrete but to pour concrete around the boulders in the crib would not be effective. Moreover, it would not be satisfactory in salt water.

Item agreed to.

Cariboo Island—breakwater reconstruction, $8,000.

Sir HENRY DRAYTON: Was this carried away too?

Mr. KING (Kootenay): This is in the county of Pictou, N.S.

Mr. MEIGHEN: Is this let by contract?

Mr. KING (Kootenay): It will be.

Mr. MEIGHEN: There is $2,000 already spent on it. What happened?

Mr. KING (Kootenay): Certain work was being carried on last year with the vote, following a storm which destroyed not only some of the work that had been done but another section of the breakwater as well. It had originally been intended to do this work by contract, but when the storm occurred we used a certain amount of money to hold what we had remaining of the breakwater.

Mr. MEIGHEN: There were no tenders called for, then?

Mr. KING (Kootenay): We were calling for tenders last season when the storm occurred, destroying another section of the breakwater, and it was considered inadvisable to let a contract that season. The engineer was instructed to expend a certain sum of money to ensure the safety of what was left, with a view to asking parliament for a revote to carry on the reconstruction this season.

Mr. MEIGHEN: Why could the tender not be gone on with notwithstanding the storm? Is the minister going on with tenders now?

Mr. KING (Kootenay): We will complete the work by day's labour now.

Mr. MEIGHEN: Why?

Mr. KING (Kootenay): Because we think it is in the interests of the department to do so. We started to do certain work last fall, and we will continue the work by day's labour, as it is more economical.

Mr. MEIGHEN: Why was it more economical to do it by tender before the storm and more economical to do it by day labour after the storm? Did the storm upset the whole principle of the department?

Mr. KING (Kootenay): Oh no, but the situation was changed very much after the storm, and we then decided to carry on by day labour to retain, if possible, what was remaining. It is considered by the department that we had better continue as we have begun, under the direction of the engineers.

Mr. MEIGHEN: Is the work being done on a percentage basis?

Mr. KING (Kootenay): No, the department is doing it.

Mr. MEIGHEN: Was this the October storm too?

Mr. KING (Kootenay): Yes.

Item agreed to.

Carr's Brook—breakwater repairs, $1,275.

Sir HENRY DRAYTON: Is that the same storm?

Mr. KING (Kootenay): No. This is to renew the stringers where necessary. There was a storm in that vicinity that disturbed the structure somewhat, and this vote is for repairs.

Mr. MEIGHEN: What storm was that?

Mr. KING (Kootenay): On October 1st and 2nd.

Mr. MEIGHEN: Where is Carr's Brook?

Mr. KING (Kootenay): In Colchester county.

Mr. MEIGHEN: What river is the breakwater in? Is it out in the ocean?

Mr. KING (Kootenay): Carr's Brook enters into Minas Basin. The wharf is at the mouth of the river, I suppose on Carr's Brook, at Minas Basin.

Mr. MEIGHEN: Is this by tender too?

Mr. KING (Kootenay): No, by day labour.

Mr. MEIGHEN: Has anything been done by tender of all the list so far?

Mr. KING (Kootenay): Yes, the larger item for Broad Cove marsh. Tenders were called for that work.

Mr. MEIGHEN: Did the storm not change the minister's idea there?

Mr. KING (Kootenay): No.

Item agreed to.

Chimney Corner—wharf reconstruction, $8,000.

Mr. SPENCE: Just why is the minister spending $8,000 on a very unimportant place of this kind? Is there any coal business or any business of any kind being done there? Is there any population there? This is the same thing as last year.

Mr. KING (Kootenay): This is for the reconstruction of a wharf destroyed by a storm last October. The industries are farming, fishing, and coal mining.

Mr. SPENCE: That storm must have been a cyclone.

Mr. KING (Kootenay): A storm on the Atlantic covers the whole coast pretty well. A storm in the vicinity of North Cape Breton, for instance, or on the north or south coast of Nova Scotia is not confined to one harbour, but covers the coast pretty generally.

Mr. SPENCE: This is not on the Atlantic coast at all. The storm could not have hit there too.

Mr. CHISHOLM: This is a very important little harbour. My hon. friend seems to be impressed with the idea that there is nothing going on there. I do not know for a certainty where he got his information, but I think he gets it from someone pretty close to himself.

Mr. SPENCE: I know something about this particular section. I do not have to ask my hon. friend to my left (Mr. Black, Halifax).

Mr. CHISHOLM: There are four fishing establishments there carrying on business through all the open season of the year. There is also a coal mine which is going to be operated just as soon as it is possible to carry the coal away from there, but fishing is the important thing. If my hon. friend will come down to my part of the country I will take him there, and I am sure he will enjoy himself. It is a magnificent spot.

Sir HENRY DRAYTON: What was spent there last year, the year before, and the year before that?

Mr. CHISHOLM: Last year's storm destroyed the whole structure, which was in first-class shape till then.

Sir HENRY DRAYTON: We have been spending money there right along.

Mr. CHISHOLM: No, this is the third time.

Sir HENRY DRAYTON: I think we did some work there in 1922, and again in 1923.

Mr. KING (Kootenay): There was expended in 1922-1923, $1,100, and in 1923-1924, $11,885.

Sir HENRY DRAYTON: There is a coal prospect there. I wonder if my hon. friend could tell us who control the coal prospect, and whether they have been able to sell it yet?

Mr. KING (Kootenay): I have not any information on that.

Sir HENRY DRAYTON: I think if my hon. friend will find out who wants this he will be able to get the information.

Mr. KING (Kootenay): I have no information.

Sir HENRY DRAYTON: No mystery about it?

Mr. KING (Kootenay): I know of none.

Sir HENRY DRAYTON: No coal taken out of it yet at all?

Mr. CHISHOLM: A very considerable amount of coal has been taken out of it. I may tell my hon. friend that the property is owned by an incorporated company. If he wants further particulars I can tell him that I am a small owner there.

Sir HENRY DRAYTON: It is just the facts I want.

Mr. CHISHOLM: Well, the property is owned by an incorporated company and I am a shareholder.

Sir HENRY DRAYTON: Who are the others?

Mr. CHISHOLM: It is not necessary for me to give my hon. friend that information is it?

Sir HENRY DRAYTON: Not if it is withheld.

Mr. MEIGHEN: Is there any reason why the hon. member should give his name and not the others?

Mr. CHISHOLM: I might tell my right hon. friend I thought the ex-Minister of Finance was insinuating something, and that he had me in mind. I have no hesitation in saying that I am a part owner, and that I hope to see the property developed on such a scale that it will be a great benefit to the surrounding country. I have put my own money in this proposition with the hope that I would do something by way of developing that natural resource. Does the hon. member find fault with that?

Sir HENRY DRAYTON: I think it will be a good thing.

Mr. CHISHOLM: I wish to tell my hon. friend that it is not the coal development alone that is looked for at that particular point; good results have accrued to the fishing industry from the construction of the pier there. There are two fishing establishments in vigorous operation now. A very considerable amount of fishing is done in the neighbourhood, and a considerable amount of business has been transacted as a result of the construction of this wharf. The benefit of the expenditure for this purpose is not confined to this particular community, because that part of the coast is far away from any harbours and boats come here for shelter from other sections.

Sir HENRY DRAYTON: I may be quite wrong but my recollection is that when the present Judge McKenzie was a member of the House he wanted this work undertaken in connection with the coal development which we would all like to see. I think the work was started in 1922. I cannot believe that this coal development is not going on simply for the lack of an expenditure of $8,000. What is the real reason why this coal development, which was expected to take place in 1922, has not come about?

Mr. CHISHOLM: The reason is very clear. There are no railways to that part of the country and just as soon as this wharf is in shape to take care of the export of coal the coal development will take place. The reason no coal is shipped from there now is that the wharf is not in shape to handle it. A very considerable amount of coal was shipped from there one season, three years ago; but the accommodation was not good enough to enable the coal owners to ship anything like substantial quantities from that pier so the operations had to be suspended.

Mr. MEIGHEN: The minister says there was $1,000 spent in 1922-23. The vote in 1922-23 was $18,000. The vote for 1923-24 was $13,400. The latter was said to be a revote so that there must have been $5,100 spent in the previous year; $11,000 last year, and now $8,000 is asked. What is this coal mine worth?

Mr. KING (Kootenay): An order in council was passed on August 2, 1922 accepting the tender of W. E. Laundry for $12,159 for the construction of this extension. It was under the estimated cost. My notes show that the expenditure in 1922-23 was $1,100. It was late in the season when the contract was let, and I expect that very little work was done until 1923-24.

Mr. MEIGHEN: There must have been $5,100 spent.

Mr. KING (Kootenay): No, I think not.

Mr. MEIGHEN: The $13,400 was a revote the next year.

Mr. KING (Kootenay): The tender was very much lower than our original estimate.

Mr. MEIGHEN: Has any coal been shipped out of there?

Mr. CHISHOLM: I have already told my right hon. friend that considerable coal was shipped from there in 1921. I am not able to give him the exact quantity, but I may tell him in order to really carry on a coal business there it is necessary to have a considerable depth of water. The structure at that time would only furnish sufficient depth for small schooners. It was found in the fall of the year, it being a rough coast, that it was necessary to stop shipping because it was difficult to get a schooner of any size to the pier and large vessels were required for the fall trade. That is why this extension was made. The extension was built last year but it was carried away by a storm in October. It is impossible to carry on a coal business there until this work is finished. Again I want to emphasize that it was not for the coal business alone that this pier was originally constructed. It was for the purpose of providing a harbour of shelter for the fishermen along the coast, and they have taken advantage of it to a very considerable extent.

Mr. MEIGHEN: There has been no coal shipped since 1921?

Mr. CHISHOLM: Since 1922, to be accurate. I have given the reason why more coal was not shipped.

Mr. MEIGHEN: When was the pier constructed first?

Mr. CHISHOLM: The first part of it was built in 1921. The coal was shipped in the season following the building of the pier. I might tell my hon. friend that a considerable amount of money was spent there developing that coal property, the expectation being that there would be a sufficient depth of water to permit the shipment of larger quantities.

Mr. MEIGHEN: I think my hon. friend must be wrong in his dates?

Mr. CHISHOLM: I may be mistaken as to the exact date.

Mr. MEIGHEN: Because according to his first statement the shipment was made before the pier was built.

Mr. CHISHOLM: I may be wrong in the date of the construction of the pier, but the shipment took place the year after the pier was built and would have continued if this structure had been sufficiently long to give water enough to enable larger ships to tie to pier. Shipments will start again just as soon as the work is finished.

Mr. SINCLAIR (Queens): I point out to the committee that the expenditure for development at Chimney Corner will benefit Prince Edward Island and not merely that part of Cape Breton. It is the nearest point to Prince Edward Island that contains any coal, and many cargoes of coal were shipped from Chimney Corner to Charlottetown and Summerside. It was good coal. It came from the nearest point to us and the freight was very reasonable; we got it at a much cheaper rate than we could get it by rail from other points. I may say that the great majority of our people now use coal for domestic purposes, very largely on account of the scarcity of wood, and they would like to see the coal mine in question developed in order to obtain cheap fuel. The expenditure at Chimney Corner will benefit not only the people of the immediate locality but also the people in other parts of the Maritime provinces and especially those along the coast who are dependent on coal for fuel.

Sir HENRY DRAYTON: Would my hon. friend tell me the name of the company?

Mr. SINCLAIR (Queens): I do not know the name of the company. I can tell my hon. friend that the coal at Chimney Corner is of very fine quality especially suited for
10 p.m. kitchen use, and it is popular among those in the province of Prince Edward Island who have had the opportunity of using it.

Sir HENRY DRAYTON: In what year was this coal shipment made?

Mr. SINCLAIR (Queens): The same year it was shipped from Chimney Corner.

Sir HENRY DRAYTON: What year was that?

Mr. SINCLAIR (Queens): I understand it was in 1921 or 1922.

Mr. MEIGHEN: Does the minister say it was the late government that started this work?

Mr. KING (Kootenay): Construction was started in 1919-1920.

Mr. MEIGHEN: There was no vote in 1922.

Mr. KING (Kootenay): Yes a contract was let to Messrs. Morrison, Congdon and Company.

Mr. MEIGHEN: It must have changed its name.

Mr. KING (Kootenay): No. The wharf was originally 170 feet long by 20 feet wide. This new section was an extension of a former work started in 1919-20.

Mr. MEIGHEN: But all this new construction is for the purposes of coal shipments. The place was all right for fish before. There is none of that in the vote under Chimney Corner for 1921-22.

Mr. KING (Kootenay): No; the contract was let for 1919-20, and I suppose it was completed in that period.

Mr. MEIGHEN: Yes and no harm was ever done to that wharf. That was sufficient for the purposes of the fishing industry.

Mr. CHISHOLM: It was necessary to extend it because there was not sufficient space for the boats. It was the initial step in the contemplated plan. The late government started to build it, and I think if the minister will look over his records, he will see that the first item was only a part of the plan at that time. So much was available for that year and the original plan was to be finished the next year. The first original structure would certainly not give enough protection to the boats. Two large fishing buildings were put up there for the purpose of buying and exporting fish. The business

enlarged and it justified the extension. It was necessary also to give protection to the additional number of boats that came there as a result of the development that took place.

Mr. MEIGHEN: What portion was destroyed by this storm—the new part or the old?

Mr. CHISHOLM: The new part.

Mr. BAXTER: This seems to have caused a good deal of commotion amongst the people in that vicinity. As I understand the matter, a petition was sent in some time ago, and I have what I think is a copy of it. The residents of St. Rose, who seem to think their place is the one which should be favoured with a wharf, sent this petition to the minister:

We the undersigned citizens do petition asking for consideration for a wharf to be constructed at Saint Rose cove, Inverness county, Cape Breton, Nova Scotia, Canada, as already on petitions for two consecutive years to our member of parliament, Dr. A. W. Chisholm, (for nineteen years representing the county) and to Minister of Public Works, asking for a "wharf" to enable our fishermen a place to land their fish, and a place of protection for their boats, and to have a place to ship material. Recently orders of lumber had had to be cancelled, owing to the fact that we had no place to ship via water, railroad, nor any making. It is very hard for us espcially during the present crisis of hard times, when lumber is the only means we have to earn money to support ourselves and families.

This is signed by all the representative people who live in the place. There are excellent names signed to this petition. There are a large number of MacLeods, McRaes, McKenzies, McKinnons, McPhersons. It would be almost like the landing of the Hector to put this on Hansard, so I will forego. I have no doubt that they are excellent citizens. I am favouved with a communication on this subject. I am not responsible for it, but the person seems to be acquainted with certain facts. He says:

For over fifty years money has been spent at Chimney Corner, Inverness county, Cape Breton. Dr. A. W. Chisholm, M.P. for Inverness county has secured $17,000 for a breakwater wharf, and it was built in 1923. The following fall it was destroyed by the fall gales. He had a returned man, Dan McKay, appointed inspector of the wharf works while under construction at $3.50 per day. McKay was at the same time working on the highway with a pair of horses at $6 per day. If he was attending to his job as inspector of the wharf, as freely said, it might be that the wharf would have a different story, than a wreck. Not satisfied with this, McKay was appointed once again by Dr. Chisholm to do the repair work of the old wharf, $800 which was destroyed and six beautiful boats, and lumber on the wharf. Seems strange McKay should be having about all while others get nothing. Dr. Chisholm is interested in the Chimney Corner coal mines, associated with three other colleagues—

[Mr. Chisholm.]

Mr. MEIGHEN: Does it give their names?

Mr. BAXTER: I do not know. I am just reading through.

—but I am told that owing to water trouble, it cannot be a success yet he gets all this money for the place. We cannot leave any material on the wharf. The beach with a brook running through is bad and not much hauling can be done, especially up a steep hill, with millions of cliff stones hanging above and during half a century all this money is spent there. We have been trying to get a wharf constructed as stated on petition, and do not seem to get in fact anything through Dr. Chisholm, yet he can get money for Chimney Corner. Many other efforts have been tried, but nothing doing for this district. Four contracts for lumber had to be cancelled this winter owing to no shipping place for St. Rose. For years we have been trying to get a wharf, and petitioned for it every year. Last year we do not think Dr. Chisholm introduced the bill.

Of course, we know that this does not come in by a bill unless it is for the services of a wharf inspector.

Mr. HEALY: What is the name of the last writer?

Mr. BAXTER: It was written by Mr. A. J. MacLeod who, I believe, is a near relative of the representative of the country.

Mr. HEALY: That is the reason for it, I suppose.

Mr. BAXTER: I am informed:

That these people have already petitioned twice through the representative of this county to have this expenditure made. They claim Dr. Chisholm has ignored them and instead of trying to get a vote for a wharf at St. Rose bent his energies to get money spent at Chimney Corner where the doctor has coal mining interests. The people of this St. Rose district—

I am sure the other side of the House will be glad to hear this.

—were very strong in the Liberal political faith. At the last federal election, I got only 24 votes in this district and the total vote polled was over 200.

Mr. GRAHAM: Twenty-four too many.

Mr. BAXTER: Too many from the Liberal point of view. The hon. member had better do something, for he cannot expect people to vote for their representative unless they get a vote for a wharf.

Mr. CHISHOLM: I will take my chances.

Mr. BAXTER: The hon. member had better remember Tim and the success of the breakwater. There ought at least to be a wharf of a reasonable size built there:

The majority of the men whose names appear on their petition were strong supporters of Dr. A. W. Chisholm at the last election. They are much opposed to him now on account of this matter.

Think of the chances he is willing to take! Apparently there is no change in their political

faith, but there is some dissatisfaction at the lack of activity of the representative of their constituency. It seems to me only fair to give an opportunity to the hon. member for Inverness to explain how soon he will have a wharf built at St. Rose, and why he persists in favouring Chimney Corner at the expense of St. Rose, which, from the petition and the correspondence I have read, appears to be indisputably entitled to a wharf. It is a place where a wharf will stand, where a wharf will not fall out like the one at Chimney Corner. It will be a public utility. The hon. member should give some apology to his constituents to-night and show some signs of repentance.

Mr. CHISHOLM: I am glad my hon. friend has brought this matter up. The fact of the matter is that I have put forth all the efforts in me for four consecutive years in trying to get a wharf built at St. Rose. Reports were made by the engineers setting forth that it was an impossibility to construct a wharf there at any reasonable cost. It is a fact also that the late government made a report in regard to the matter. If they failed to get the wharf, that was not on account of any lack of persistence on my part, because I endeavoured to get the department to see as I saw. I would like very well to have a wharf at St. Rose myself if it could be built at a reasonable cost.

Mr. BAXTER: How did you succeed in Chimney Corner?

Mr. CHISHOLM: I succeeded there because nature helped me, and because the wharf would be a great benefit when it was put there. So far as St. Rose is concerned, it is in my own neighbourhood, and I am very grateful to my hon. friend for his interest in it. I know MacLeod is a relative of mine. My hon. friend will find it one of the most difficult things in the world to satisfy some of his relatives sometimes. So far as his criticism of Mr. McKay is concerned, my hon. friend should be ashamed to read a letter like that, couched in poor English and worse judgment. He was the only returned soldier there. He left home in 1914 and remained overseas until 1918. But let me ask my hon. friend if he knows whether MacLeod went overseas or not. That gentleman took very great care that he remained on his father's farm, when he was just as well able to go when McKay went. He seems terribly distressed because I recognized this soldier who has sacrificed so much for his country. Mr. McKay is possessed of a substantial amount of intelligence. I cannot say that much for Mr. MacLeod as is clearly shown by his letter. So far as the district of St. Rose is concerned, I may tell my hon. friend that I got every vote in that district, twelve miles distant, except Mr. MacLeod's vote. I suppose that may explain why he is so persistent in writing childish letters.

An hon. MEMBER: He was not a warrior.

Mr. CHISHOLM: He certainly was not a warrior in that case, and I do not think his sympathies were strongly in that direction. I will be very glad if my hon. friend will help me to get a wharf at St. Rose. If he goes with me to the department we will try to satisfy the department that there is a justification for the expenditure. We have failed so far. It is impossible to convince the engineer that a wharf should be placed there. I do not know that I can give my hon. friend any more explanation than that, but I am sure he should be satisfied with it inasmuch as his own party when in power never spent a dollar in any part of that district.

Mr. BAXTER: The information is very nice indeed, and the hon. member has his chance now. If he will induce the minister to put a decent little sum in the estimates to put a wharf at St. Rose, I think I can guarantee the support of all the members of this group, and I think I can go him one better. If he will cease accumulating votes in those districts in the way he has been doing in the past, and give us a chance to take over the reins of government ourselves, we will put a wharf there, and we will not find that nature will interfere with it. We will employ returned soldiers in connection with it, but not returned soldiers holding two incompatible jobs at the same time.

Mr. CHISHOLM: That statement is not correct. This man who writes the letter exaggerates. Mr. McKay is a responsible man who would not be guilty of such a thing. He is a leading citizen of that community and he would be the last man who would try to fill two positions at the same time. Mr. MacLeod has not been telling the truth. So far as my hon. friend's graciousness goes, his party was in power previously, and the county of Inverness sent a representative supporting the party. I think there was one pier built in Inverness county during that long eighteen years. His party was also in power from 1911 to 1917.

An hon. MEMBER: Longer than that.

Mr. CHISHOLM: I am talking now about the Tory party with which my hon. friend is associated. I brought the matter to the attention of the Minister of Public Works, and

he made every effort to find out if it was a practical thing to put a wharf there. The report is on file in the department. He turned it down. He could not see any reason or merit in the proposition and therefore he rejected it. Now my hon. friend asks me to induce the minister to place an item in the estimates for this wharf, and states that he and his party will support it. I had higher ideas of the Tory party than that. I have known some very honest Tories in this world. Would my hon. friend seriously tell me, in the face of the fact that this expenditure is not justified, according to the report of the Tory official engineers, that he and his party would back it up if this minister would place the item in the estimates? Am I to understand that? Surely my hon. friend's morals and those of his party are higher than that. Surely that is not what he means. His party never did anything for the county but he is quite willing to do wonders for the county when he is in opposition. He and his party are continuously opposing everything that is done for the county.

Mr. BAXTER: I would advise my hon. friend not to worry. If the wharf should not be built there, surely he does not think he could induce the Minister of Public Works to put it in the supplementary estimates.

Mr. CHISHOLM: I did not say I could.

Mr. BAXTER: My proposition is that if the minister would put an item in the supplementary estimates we would vote for it.

Mr. SPENCE: It has been stated either by the minister or my hon. friend on the other side of the House that this coal mine would not pay unless we had boats of large dimensions coming in. I presume this is an endeavour to insert the thin end of the wedge, and next time we will have to spend ten or fifteen thousand dollars in dredging, to allow the larger boats to come in.

Mr. CHISHOLM: No.

Mr. SPENCE: I do not think there was a range of a hundred yards along the whole Atlantic coast where the government did not provide last year to build a wharf. I remember it well. It was the same thing this year. It seems to me there is not a quarter of a mile along the coast where the government is not providing for a wharf. What is the object? To keep them in power all the time?

Mr. PRESTON: Is it a fact that the principal stockholders in this coal company are members of this House and members of the Senate of Canada?

[Mr. Chisholm.]

Mr. KING (Kootenay): I have no information to that effect. I have no knowledge of it.

Mr. PRESTON: Perhaps the hon. member for Inverness might tell us.

Mr. CHISHOLM: Would my hon. friend expect me to give him all the information with respect to my private business or anything else? Would he like me to ask him a similar question? He can find out if he is anxious to do so. It is known as the Chimney Corner Coal Company.

Mr. PRESTON: It is understood in some sections that the colleagues of my hon. friend own the stock in this company, and that they are endeavouring to have public money spent to build a wharf with a view of having large improvements. I understand they want the money spent to build a wharf, in order that they may sell the property.

Mr. CHISHOLM: I may satisfy my hon. friend by telling him that they have no intention of selling the property. It is not for sale, and my hon. friend's informants should get a little better acquainted with the circumstances of the company. They are not trying to sell.

Mr. PRESTON: I am trying to get information.

Item agreed to.

Comeau's Cove—breakwater improvement, $4,900.

Sir HENRY DRAYTON: What happened at Comeau's Cove?

Mr. KING (Kootenay): This item is to build a new cribwork block on the harbour side of the breakwater and a native timber, stone-filled crib. It is to protect the local fishing fleet. The existing work consists of a breakwater built in 1914-15. I think that covers the structure to date.

Item agreed to.

Digby—repairs and renewals to pier, $2,000.

Sir HENRY DRAYTON: What is to be done this year?

Mr. KING (Kootenay): Renewals of floors, fenders and freight shed repairs. It is annual repair work necessary on account of great and constant wear and tear.

Item agreed to.

Dartmouth—pier, $120,000.

Sir HENRY DRAYTON: This is a large item. What is the present position?

Mr. KING (Kootenay): This is for the construction of a pier 661 feet long, consisting of stone with gravel approaches. The work is under contract to the Halifax Dredging Company and the Standard Construction Company. The amount of the contract is $135,659.54. The probable expenditure for 1923-24 is $25,000. There is a re-vote of $50,000.

Sir HENRY DRAYTON: Then the other figure must be wrong.

Mr. KING (Kootenay): That was the probable expenditure when the estimates were being made up. The actual expenditure was $22,000.

Sir HENRY DRAYTON: How can that be in view of these figures?

Mr. KING (Kootenay): You have inspection fees as well, and then expenditure for the site, $6,802.

Sir HENRY DRAYTON: Is the vote of $120,000 going to clean up the whole matter?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: I hope this is not a place where the wharf is going to be carried away by storms.

Mr. KING (Kootenay): Halifax is a protected harbour.

Sir HENRY DRAYTON: No trouble up there at all?

Mr. KING (Kootenay): I think not.

Mr. STEWART (Leeds): Is this entirely new work?

Mr. KING (Kootenay): Yes.

Mr. STEWART (Leeds): What constituency?

Mr. KING (Kootenay): Halifax.

Item agreed to.

East Bay—wharf repairs, $1,600.

Sir HENRY DRAYTON: Any storms there?

Mr. KING (Kootenay): No; this is a renewal of stringers, guard rail covering, and so forth, which are in a decayed condition.

Item agreed to.

East River—repairs to lock, $3,000.

Sir HENRY DRAYTON: What is the occasion for that work?

Mr. KING (Kootenay): To repair the lock walls, which the district engineer states are badly disintegrating and may fall into the lock and block navigation.

Sir HENRY DRAYTON: The $4,000 spent last year was to do similar work. What has happened in the meantime?

Mr. KING (Kootenay): The repairs were not completed last year. This work is of concrete, there has been a very considerable disintegration, and the engineer recommends that if the work is to be saved these repairs must be made.

Sir HENRY DRAYTON: How much money was spent last year?

Mr. KING Kootenay: We spent $4,096.35.

Sir HENRY DRAYTON: Then I point out to my hon. friend that the whole of the money that was to be sufficient to repair this work last year has been spent. Now, what has happened?

Mr. KING (Kootenay): This is additional work.

Sir HENRY DRAYTON: I know; but what has happened to bring about this very bad state of affairs when $4,000 was to put the work in proper condition last year?

Mr. KING (Kootenay): This is additional work required this year. The undertaking cost nearly $400,000, and a repair of $4,000 would not be very great.

Sir HENRY DRAYTON: Will the same thing be required next year?

Mr. KING (Kootenay): I cannot say.

Sir HENRY DRAYTON: I should think the minister can say if he has the engineer's report before him.

Mr. KING (Kootenay): No, that could not be reported at this time. The report from the district engineer covers the requirement for this year. By next November or December we will probably be getting a further report on this work. It is a large work.

Sir HENRY DRAYTON: Of course it is a large work. It must follow that the minister should know whether further repairs are under contemplation or not. Last year $4,000 was not enough to look after the necessary repairs, although, so far as my memory goes, it was considered sufficient. There has been no storm to interfere with the lock since. The whole trouble we are told was that the work was large and the engineer did not completely cover the repairs. Now I ask the minister does this $3,000 cover it, or is he coming back next year for another $3,000 or $4,000?

Mr. KING (Kootenay): I am asking parliament to vote what the engineer considers necessary to take care of the repairs this year. The work is of concrete. This concrete is disintegrating, and when disintegration sets in in concrete it is difficult to say what repairs will be necessary year by year. My hon. friend is well versed in that.

Sir HENRY DRAYTON: Does this sum cover all the repairs necessary to look after the concrete that has disintegrated?

Mr. KING (Kootenay): It is what the engineer has asked for this year.

Sir HENRY DRAYTON: I am asking, Mr. Chairman, whether this sum will cover all repairs for concrete that is disintegrating.

Mr. KING (Kootenay): No one can tell you that at the present time.

Sir HENRY DRAYTON: Has any disintegration evidenced itself that it is not now intended to repair?

Mr. KING (Kootenay): I have not had a report on that.

Sir HENRY DRAYTON: What does the report say?

Mr. KING (Kootenay): I read the report: This amount of $3,000 is required to repair the lock walls, which the district engineer states are badly disintegrating, and may fall in the lock and block navigation if not repaired. That is the district engineer's reason for the expenditure. As to further disintegration, I have not any report, and it is impossible to say that this will be the only amount required for years to come.

Sir HENRY DRAYTON: I am asking if this sum is sufficient to cover the repairs for this year.

Mr. KING (Kootenay): We will probably have a report on this work at the end of the season suggesting the requirements for next year.

Sir HENRY DRAYTON: Where has this happened?

Mr. KING (Kootenay): It is a lock between Pictou and New Glasgow. Two ferries operate daily between these towns, and a large number of boats use the channel. This lock was built as part of a general river improvement project carried out from 1908 to 1918. A contract was let for this work in 1913.

Mr. EVANS: What is the cause of the disintegration—bad work in the beginning?

Mr. KING (Kootenay): It is the effect of salt water.

[Sir Henry Drayton.]

Mr. EVANS: I did not know salt water would have that effect.

Mr. KING (Kootenay): Yes, it has a very serious effect on concrete.

Item agreed to.

Eastern Harbour—improvements, $42,000.

Mr. SPENCE: Do we derive any real benefit from the expenditure of this money? How is it that $38,000 was voted last year and now we have an item of $42,000?

Mr. KING (Kootenay): The contract was entered into last year late in the season, but it was difficult to get tenders at that time and very little was done; about $6,000 or $7,000 was expended. This is to continue the contract.

Mr. DOUCET: To whom has the contract been awarded?

Mr. KING (Kootenay): New Glasgow Dredging Company.

Mr. STEWART (Leeds): In what county is Eastern Harbour situated?

Mr. KING (Kootenay): Inverness.

Mr. STEWART (Leeds): Will this vote complete the work?

Mr. KING (Kootenay): Yes.

Mr. LEWIS: What is the nature of the improvements?

Mr. KING (Kootenay): Dredging a channel into the harbour.

Item agreed to.

French Village—rebuilding wharf, $3,700.

Sir HENRY DRAYTON: Where is French Village?

Mr. KING (Kootenay): In the constituency of Halifax. The vote is to rebuild the pile work of a portion of the wharf, 150 by 25 feet. The district engineer on January, 12, 1924, says that the proposed work is of an urgent nature. The wharf is the only one in that vicinity and is used by the residents to land freight brought by vessels from Halifax, also for the export of fish, cordwood, lumber, and so on.

Mr. STEWART (Leeds): Is there any revenue from this wharf?

Mr. KING (Kootenay): No.

Item agreed to.

Friar's Head—harbour improvements, $1,500.

Sir HENRY DRAYTON: What is the nature of the work there?

Mr. KING (Kootenay): $500 to complete payment on contract for the extension of breakwater; $1,000 for the removal of large boulders and ledge rock at the approach to the harbour.

Sir HENRY DRAYTON: What was the $4,200 spent for last year?

Mr. KING (Kootenay): The contract last year was for the raising of 105 feet of the breakwater to a further height of 3 feet and the construction of a new section 60 feet in length.

Sir HENRY DRAYTON: Will this complete the work?

Mr. KING (Kootenay): I think so.

Sir HENRY DRAYTON: There is nothing more asked for?

Mr. KING (Kootenay): Not at present.

Sir HENRY DRAYTON: Where is Friar's Head?

Mr. KING (Kootenay): In the county of Inverness.

Item agreed to.

Great Village—wharf replacement, $3,500.

Mr. STEWART (Leeds): Will the minister explain the nature of this work?

Mr. KING (Kootenay): This work is in the constituency of Colchester. It is to construct a wharf to replace the old structure, which was in a dilapidated condition and was entirely wrecked by a severe storm in October, 1923.

Item agreed to.

Grand Narrows—wharf extension, $2,000.

Sir HENRY DRAYTON: How was it we did no work there last year? Is there the same lack of necessity now that there was in 1923-24 as evidenced by the action of the department?

Mr. KING (Kootenay): The engineer states that there was difficulty in getting delivery of creosoted timber; that the cost was excessive and he was convinced that a postponement of the expenditure for one year would be advisable.

Sir HENRY DRAYTON: What was his estimate of the cost?

Mr. KING (Kootenay): $2,000.

Sir HENRY DRAYTON: What was the price he indicated as excessive?

Mr. KING (Kootenay): He did not state the amount; he simply said that the price was excessive and that he considered it inadvisable to proceed with the work.

Sir HENRY DRAYTON: What is the present information?

Mr. KING (Kootenay): He says that since last summer a new view of the creosote situation has arisen. The plans of Creosote Products Limited of Toronto indicate that they will establish creosote works at Newcastle, New Brunswick, and New Glasgow, Nova Scotia, and the probability is they will be able to supply all the creosoted materials required for these and other works at much more reasonable figures than those received during the past year.

Sir HENRY DRAYTON: Where is Grand Narrows?

Mr. KING (Kootenay): Cape Breton North and Victoria.

Mr. STEWART (Leeds): Is this work done by tender and contract?

Mr. KING (Kootenay): I think it is done by day labour.

Item agreed to.

Harbours and rivers generally—repairs and improvements, $55,000.

Sir HENRY DRAYTON: How much was spent last year under that vote?

Mr. KING (Kootenay): $57,926.

Sir HENRY DRAYTON: Was that work done by tender or by day labour?

Mr. KING (Kootenay): Mostly by day labour. The amounts are small, varying from $30 to $1,400.

Mr. CALDWELL: That is to take care of unforeseen expenditures in the way of repairs and so on?

Mr. KING (Kootenay): Yes.

Mr. STEWART (Leeds): Is there any report covering the various items, or is it just a lump sum put in to take care of repairs that crop up from time to time?

Mr. KING (Kootenay): A sum put in to take care of repairs that become necessary from time to time.

Item agreed to.

Irish Cove—wharf repairs, $3,500.

Sir HENRY DRAYTON: What has happened in Irish Cove?

Mr. KING (Kootenay): We are replacing the native timber piling in the wharf there with creosoted timber. The native timber has been badly eaten by teredo and the early destruction of the wharf would be inevitable if this piling was not replaced with creosoted timber.

Sir HENRY DRAYTON: When was that wharf put in?

Mr. KING (Kootenay): In 1920 the piling was put in.

Sir HENRY DRAYTON: So that a wharf that was put in in 1920 is already so far gone that we have to put in new timber?

Mr. KING (Kootenay: That might easily happen if we have the teredo in that vicinity. The native timber which has not been treated may not last a year under those conditions.

Mr. STEWART (Leeds): In what county is Irish Cove?

Mr. KING (Kootenay): Cape Breton South.

Little Bass River—repairs to channel protection work, $1,200.

Sir HENRY DRAYTON: Where is that?

Mr. KING (Kootenay): In Colchester county.

Lunenburg—dredging, $51,000.

Sir HENRY DRAYTON: Where is Lunenburg?

Mr. KING (Kootenay): In the constituency of Lunenburg. It is an important fishing harbour.

Mr. LEWIS: Does this dredging have to be done annually? I see there was a vote for $40,000 last year.

Mr. KING (Kootenay): There has not been any dredging done there for some years, and there is a considerable amount of it to be done.

Mr. LEWIS: There was some done last year.

Mr. KING (Kootenay): Yes.

Mr. DOUCET: By contract or day labour?

Mr. KING (Kootenay): By contract.

Mr. DOUCET: Who had the contract last year?

[Mr. J. H. King.]

Mr. KING (Kootenay): The Acadia Contractors Limited.

Mr. DOUCET: Have they got the contract also for this further expenditure?

Mr. KING (Kootenay): This is to complete their contract.

Sir HENRY DRAYTON: But is that quite right? The whole vote last year, for $40,000, has been spent apparently. What authority had the government to enter into a contract for more then the $40,000 voted last year?

Mr. KING (Kootenay): The amount of the contract was $81,840.

Sir HENRY DRAYTON: I would like to find out definitely what the practice of the department is. It may be there is some use in considering estimates; it may be there is none at all; it may be the minister is entirely a law unto himself. But here is a vote for $40,000, which so far as I know, and so far as is shown in the estimates, is the sole justification for entering into a contract. Now we are told that a contract has been entered into, not for $40,000, but for $81,000.

Mr. KING (Kootenay): It is not unusual to vote a sum for a contract, and then to increase the contract and come to parliament next year for an additional amount to complete. The advantage in letting the larger contract would be the opportunity of getting a lower price than if a smaller quantity was moved. The contract price is considered fair and reasonable by the department, and we are asking for this vote to complete the contract.

Sir HENRY DRAYTON: Surely the minister can see the result of it all. Last year there was doubtless the usual discussion as to the necessity for dredging at this point, and we were doubtless told that dredging should be done to the extent of $40,000.

Mr. KING (Kootenay): I think the whole contract was discussed last year. I have the information here, but cannot find it at the moment.

Sir HENRY DRAYTON: I would be interested to know if that was the fact.

Mr. KING (Kootenay): The minister last year stated that the estimated cost of dredging would be $103,000, and that the work would be done by tender, so the House was advised at that time that the expenditure would be larger than the vote then asked.

Mr. STEWART (Leeds): Is this to complete the balance of the dredging at the harbour?

Mr. KING (Kootenay): This is to complete the contract.

Mr. STEWART (Leeds): Is it contemplated there will be further dredging necessary there?

Mr. DUFF: We hope so; it needs it.

Mr. KING (Kootenay): I am not in a position to say, but there are requests from the engineering department for further dredging at Lunenburg.

Sir HENRY DRAYTON: Is the dredging being done for greater area or greater depth?

Mr. KING (Kootenay): It is to provide an area where the ships may lie during the winter season when they return from the banks and crowd into the harbour. At the present time there is not sufficient mooring space for the ships when they come home.

Sir HENRY DRAYTON: Then it is for extra space?

Mr. KING (Kootenay): Dredging the channel and around the piers.

Sir HENRY DRAYTON: What depth is the channel being dredged?

Mr. KING (Kootenay): Eighteen feet.

Sir HENRY DRAYTON: That is, the channel to the pier?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: Are we troubled with silting there?

Mr. KING (Kootenay): Yes, there is some silt from the sea wash.

Item agreed to.

Malagash—dredging, $22,700.

Sir HENRY DRAYTON: What about this case?

Mr. KING (Kootenay): This work is necessary in order to permit steamers to enter into the harbour to receive cargoes of salt. Important salt discoveries have been made at this point, and by opening up the channel steamers will be able to come in and receive cargoes.

Sir HENRY DRAYTON: Where is this?

Mr. KING (Kootenay): In Cumberland county.

Sir HENRY DRAYTON: What did we spend last year?

Mr. KING (Kootenay): Practically nothing.

Sir HENRY DRAYTON: What is the reason for the change? Why did we not go on last year and why are we going on this year?

Mr. KING (Kootenay): The contract was entered into last fall, and it was impossible to get the plant then.

Sir HENRY DRAYTON: To whom has the contract been let, and for what amount?

Mr. KING (Kootenay): It was let on October 4, 1923, to the Fraser Paving and Construction Company Limited for the dredging of approximately 23,920 cubic yards, at $2.35 for class A material, and 90 cents for class B.

Sir HENRY DRAYTON: What does that mean?

Mr. KING (Kootenay): Class A is rock, and class B is gravel, sand, clay and other material.

Mr. STEWART (Leeds): Is the work being undertaken this year greater in extent than was proposed last year? The contract last year was only for $15,700.

Mr. KING (Kootenay): We are asking for $22,700 this year, of which $15,700 is a revote. We know better now what the cost will be. We have had tenders since we asked for the vote last year, and the lowest tender was for $22,000 odd.

Mr. STEWART (Leeds): But it is for exactly the same work?

Mr. KING (Kootenay): Yes.

Item agreed to.

McKay's Point—wharf repairs, $2,700.

Sir HENRY DRAYTON: This is new.

Mr. KING (Kootenay): This is for the construction of the outer part of this wharf and to put in about twenty new stringers. It is not new work, it is reconstruction.

Mr. STEWART (Leeds): Where is McKay's Point?

Mr. KING (Kootenay): In Cape Breton North and Victoria.

Item agreed to .

Merigomish—wharf repairs, $1,400.

Mr. STEWART (Leeds): Where is this?

Mr. KING (Kootenay): In Pictou county.

Item agreed to.

Meteghan—wharf extension, $6,500.

Sir HENRY DRAYTON: What is the object of this extension?

Mr. KING (Kootenay): This is in Yarmouth and Clare.

Sir HENRY DRAYTON: This is entirely a revote. Has the contract been let?

Mr. KING (Kootenay): Tenders were received and the order in council was passed in September, 1923, for this work.

Sir HENRY DRAYTON: What was the amount of the contract?

Mr. KING (Kootenay): The contract was for $5,673.

Item agreed to.

New Harris—wharf, $8,000.

Sir HENRY DRAYTON: How much was spent last year on that?

Mr. KING (Kootenay): We did not expend any money there.

Sir HENRY DRAYTON: What is the reason for the increase from $5,000 to $8,000?

Mr. KING (Kootenay): The engineer increased his estimate by $3,000.

Sir HENRY DRAYTON: Yes, but what was the reason of the increase? Is he committing us to more work, or was his first estimate hopelessly out?

Mr. KING (Kootenay): The other estimate evidently was too low.

Sir HENRY DRAYTON: What is his explanation; what does he say in his report?

Mr. KING (Kootenay): Last year apparently he found cresosoted timber very high and had his estimates too low. He figures this year that his creosoted timber, 10,300 cubic feet, will cost $4,120. Then he is using more native timber which he estimates will cost $2,400. And there is the purchase of right of way, filling, and contingencies, making a total of $8,000.

Mr. LEWIS: Is the precaution taken to see that all native timber is creosoted in a proper manner before it is put in?

Mr. KING (Kootenay): We are using creosoted timber a great deal more than formerly.

Mr. LEWIS: Is it the practice to creosote all native timber?

Mr. KING (Kootenay): We use some native timber.

[Mr. J. H. King.]

Mr. LEWIS: Without creosoting it?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: There is $2,400 worth in this item for example?

Mr. KING (Kootenay): Yes.

Mr. LEWIS: It seems to me that since experience has shown that timber deteriorates very rapidly, sometimes in the space of two or three years, the precaution should be taken to see that all timber placed in wharves, and similar structures, is creosoted.

Mr. KING (Kootenay): The creosoted timber is used more under water, whereas the native timber is used above and on the inside of the work.

Mr. STEWART (Leeds): Is this new work?

Mr. KING (Kootenay): Yes.

Mr. STEWART (Leeds): What is the purpose of it?

Mr. KING (Kootenay): To enable the subsidized steamer which passes daily during the season to call for freight, passengers and so forth. The district contains a scattered farming population. The nearest public wharf at present is at New Campbellton, six miles distant.

Mr. STEWART (Leeds): What county is it in?

Mr. KING (Kootenay): Cape Breton North and Victoria.

Item agreed to.

North Ingonish (McLeod's)—reconstruction of breakwater and dredging, $34,700.

Sir HENRY DRAYTON: There has been nothing at all done here has there?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: Perhaps the minister will tell us what happened to this matter since he got the vote of $34,700 last year?

Mr. KING (Kootenay): The delay is due to the lateness of the season when the contract was let. There was no work undertaken there in 1923-24.

Sir HENRY DRAYTON: To whom was the contract let?

Mr. KING (Kootenay): To Thomas D. Morrison.

Sir HENRY DRAYTON: What is the amount?

Mr. KING (Kootenay): The amount is $21,572.

Sir HENRY DRAYTON: Why is the vote as large as it is?

Mr. KING (Kootenay): There is dredging to be done in addition to the wharf.

Sir HENRY DRAYTON: Then the $21,572 is just for the wharf?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: What is the estimate for dredging?

Mr. KING (Kootenay): About $11,000.

Sir HENRY DRAYTON: To what depth will the dredging be carried and what will be the width?

Mr. KING (Kootenay): There will be 10,500 cubic yards of stone and gravel and also 5,000 of sand and boulders to be dredged inside the breakwater. I do not have the depth in my notes.

Mr. DOUCET: Would the minister say in what riding this work is?

Mr. KING (Kootenay): Cape Breton North and Victoria.

Mr. DOUCET: About what time were tenders called for this work last year?

Mr. KING (Kootenay): The order in council was passed in November, 1923.

Mr. DOUCET: Calling for tenders?

Mr. KING (Kootenay): No, awarding tenders. Tenders would be called probably in October.

Mr. DOUCET: This is a revote of last year?

Mr. KING (Kootenay): Yes.

Mr. DOUCET: Is there any valid reason why the tenders were not called earlier?

Mr. KING (Kootenay): The supply came rather late in the department. This is one of the many works that were up for consideration and plans had to be prepared. I imagine the work was expedited as rapidly as possible.

Sir HENRY DRAYTON: Why does the minister say supply was late last year? Supply was voted by the 1st July.

Mr. KING (Kootenay): It will be late this year for public works.

Sir HENRY DRAYTON: It was passed before this last year, was it not?

Mr. KING (Kootenay): Supply is always voted late for public works, much to the detriment of the activities of the department. Work cannot be advanced until supply is granted. The result is that many of these works are not undertaken and contracts not awarded until the following spring. That is why many of the works go over until the spring of the following year.

Mr. DOUCET: Supplies must evidently have been called in the past for North Ingonish on the same day as for Lunenburg.

Mr. KING (Kootenay): Yes.

Mr. DOUCET: The department had their supplies presented sufficiently early last year to spend $40,000 in Lunenburg, and we could not get the work done in North Cape Breton and Ingonish. There are a few items that appertain to North Cape Breton and Victoria which it might have been very nice and convenient to have in the estimates last year, but which were not expended. Speaking as one of the members from that section, I hope the minister will find his way clear to see that the expenditures are made this year.

Item agreed to.

North West Cove (Tancook)—breakwater, wharf extansion, $8,500.

Sir HENRY DRAYTON: Is this a new work?

Mr. KING (Kootenay): It is an extension to an old work. The extension is required in order to provide adequate landing facilities at this point, also for the protection of 133 boats which fish from this place.

Item agreed to.

Port Greville—breakwater reconstruction, $40,000.

Sir HENRY DRAYTON: What is the present condition of this work?

Mr. KING (Kootenay): This is for reconstruction of the breakwater. In 1923-24, there was an appropriation of $24,000 and an expenditure made of $11,908. This breakwater was badly damaged by a storm and unusually heavy ice last year, which necessitated the rebuilding of practically the entire structure. Sixty feet of the shore-ward section was reconstructed during the year 1923-24. The breakwater protects the harbour, and without the breakwater it would very shortly become unnavigable.

Sir HENRY DRAYTON: The vote in 1923-24 was $24,000. The revote is $10,000, while the total vote now is $40,000. That would look as if we had spent $14,000 last year.

Mr. KING (Kootenay): We did not.

Sir HENRY DRAYTON: Then there is a larger revote than the figures show.

Mr. KING (Kootenay): When the Estimates were being made up, it was assumed that there would be an expenditure of $14,000, but the actual expenditure was $11,908.19.

Sir HENRY DRAYTON: So that when we are voting $40,000, it is not $40,000 in addition to $14,000 already spent?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: That is how it would appear on these estimates. I just point that out because it is misleading. What is the reason for the increase of $16,000?

Mr. KING (Kootenay): Additional damage was done by the storm and unusually heavy ice last year.

Sir HENRY DRAYTON: Was the work that cost $11,908 injured?

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: What is the name of the contractor?

Mr. KING (Kootenay): The work was done by day labour.

Sir HENRY DRAYTON: What is the explanation of having work done on a job of this size by day labour?

Mr. KING (Kootenay): We started to do this work by contract and we prepared to enter into a contract when this storm occurred. That changed the whole situation as regards contracting, and there were many extras in addition. The department decided to make the expenditure themselves and a contract was not entered into. For this year we are asking for tenders for the completion of the work.

Item agreed to.

Port Hood—wharf repairs, $5,800.

Sir HENRY DRAYTON: We had this matter up last year and all that was necessary was $8,600. That was spent. What has happened since?

Mr. KING (Kootenay): A contract was entered into with the Sydney Construction Company for $7,796. In August a further contract for extension was entered into to provide a new block to be placed at a distance of 18 feet from the end of the old work. It is reported that this appears to be due to the falling in of material from the sides which prevented an even or level bearing for the block. As a result it was found necessary to construct a connecting block 29 feet in length. This work was authorized August 28, 1923, as an extra to the contract.

Sir HENRY DRAYTON: The original contract was $7,400.

Mr. KING (Kootenay): It was $7,798.

Sir HENRY DRAYTON: It was within the vote?

Mr. KING (Kootenay): Yes.

Sir HENRY DRAYTON: While that contract was being carried out, if I understand the minister correctly, an undisclosed condition developed and it was found necessary to make another contract. Why was it not dealt with by Governor General's warrant? Why is it brought in here?

Mr. KING (Kootenay): That has never been the practice.

Sir HENRY DRAYTON: The act is perfectly clear. I would again suggest that the minister should have a talk with the Auditor General. We have an Auditor General now and he might be used.

Mr. KING (Kootenay): We are coming before parliament and asking parliament to vote the amount now. The contract is being carried on at the present time. I am sure this is more satisfactory to parliament than issuing a Governor General's warrant.

Sir HENRY DRAYTON: It is not satisfactory to parliament to have votes brought down that we cannot do anything with, when the minister says to us, "The money is all gone and it has to be paid".

Mr. KING (Kootenay): What would be the position in the case of a Governor General's warrant? It would be in the same position exactly.

Sir HENRY DRAYTON: Then there would be a responsibility for it; and, in its turn, it has to be sanctioned by parliament and put in the proper place.

Mr. KING (Kootenay): Exactly.

Sir HENRY DRAYTON: This is an improper way of doing it. Has this money been paid?

Mr. KING (Kootenay): It cannot be paid until it is voted.

Sir HENRY DRAYTON: Of course not. The position is that when it is done in this way the matter is hung up.

Mr. KING (Kootenay): Parliament still has control. If it were done by Governor General's warrant the money would have been paid.

Sir HENRY DRAYTON: How idle to say that parliament still has control! Parliament is supposed to have some sense of decency. It is nonsense to say that parliament has control, and the hon. minister knows that it is nonsense. Any self-respecting parliament would not want a contractor to lose the money. Is the government going to make a practice of this?

Mr. KING (Kootenay): I think my hon. friend is hardly fair when he says it is not the proper practice. As a matter of fact it is the proper practice and this practice has been followed for many years. My hon. friend says that when it was found necessary to have an extension of the contract we should have obtained a Governor General's warrant. I do not think that procedure would be endorsed by this House. I think we have adopted the proper method. We asked for a certain amount last year and let the contract. During the contract certain conditions developed that required the letting of further work in order that the job might be properly done. That has been done and we come to parliament with this explanation asking for a vote. I quite disagree with my hon. friend when he says that has not been the practice. It has been the practice for many years.

Sir HENRY DRAYTON: I never said it had not been the practice. I still say that it is an improper practice. The government does not like signing Governor General's warrants. It is a check on the extravagance of governments. It is supposed to be the only way in which no regard could be paid to the vote of parliament. It is supposed that money can only be paid out of the treasury when it is sanctioned by vote of parliament. Apparently the practice is to depart from that supposition. That is one of the reasons why I always advocated a pre-audit system. If you depart from the pre-audit system there is no check on the department and there is no help for the treasury; but I realize that it is no good talking to my hon. friend, and the Acting Minister of Finance (Mr. Robb) is not here.

Item agreed to.

Port Lorne—breakwater extension, $8,000.

Sir HENRY DRAYTON: What is this for?

Mr. KING (Kootenay): To construct a cribwork extension 50 feet long by 40 feet wide and 32 feet high to existing breakwater. This work is under contract with the Reid Construction Company of Granville Ferry, N.S. Owing to the lateness of the season when the contract was let it is not expected that any work will be done during 1923-24. The vote last year was $9,600 and this year $8,000. Tenders were received, the lowest tender being $7,166. This would be the amount required for completion.

Sir HENRY DRAYTON: What was the expenditure last year?

Mr. KING (Kootenay): $7,166.

Sir HENRY DRAYTON: How could we have spent that large amount last year?

Mr. KING (Kootenay): We did not spend it all last year.

Sir HENRY DRAYTON: Will $8,000 complete everything?

Mr. KING (Kootenay): Yes, that will complete the work.

Item agreed to.

Port Medway—to purchase and extend wharf, $6,100.

Mr. BAXTER: How much of a wharf could be built for that sum? Is this wharf in Lunenburg county?

Mr. KING (Kootenay): No, in Shelburne and Queens.

Sir HENRY DRAYTON: Will the minister explain just what the wharf is needed for, who owns it, when the suggestion for purchase came, and how far the negotiations proceeded.

Mr. KING (Kootenay): There was a petition signed by some sixty-three residents calling attention to the public wharf at Port Medway, especially on behalf of the merchants and fishermen. They complained that they had not a wharf or a dock to lay a vessel to. The Minister of Finance (Mr. Fielding) visited this district in 1923, and he confirmed the statements as set out by the petitioners. During the storm of January 4, 1923, the old wharf was completely wrecked. There are certain industries located at this point. The Nova Scotia Wood, Pulp and Paper Company have mills at Charleston on Medway river, seven miles west from Port Medway. Their yearly output is 5,000 tons valued at $40 per ton.

Mr. MARTELL: Is that the wharf used by the McLeod, McCurdy combination?

Mr. KING (Kootenay): I do not know. There is a letter here stating that a public

wharf is urgently required at this point. There is no place where the packet ship from Halifax may discharge her cargo, and there is enough business to be carried on at this point to justify the construction of a wharf.

Mr. BAXTER: How far has the minister got with the negotiations for the purchase of this wharf from private interests?

Mr. KING (Kootenay): No purchase has been made yet. There is an estimate by the department that the site will cost $2,500.

Mr. BAXTER: . Is that to be expropriated?

Mr. KING (Kootenay): It will depend on whether the owner agrees to a price which the department considers fair and reasonable.

Mr. BAXTER: Who is the owner?

Mr. KING (Kootenay): J. N. Wilde.

Mr. BAXTER: How big will the wharf be?

Mr. KING (Kootenay): It will be 225 feet long by 25 to 90 feet wide. The extension will be pile work 40 feet long by 90 feet wide.

Sir HENRY DRAYTON: How many other wharfs are there at this point?

Mr. KING (Kootenay): The pulp company have a wharf near there.

Sir HENRY DRAYTON: Is there a wharf on this site at the present time?

Mr. KING (Kootenay): There is an old wharf.

Sir HENRY DRAYTON: Are there any others?

Mr. KING (Kootenay): Not to my knowledge.

Sir HENRY DRAYTON: What is the size of the other wharf that is mentioned?

Mr. KING (Kootenay): I have no information regarding the pulp wharf.

Sir HENRY DRAYTON: What are the complaints against the man who runs this wharf? Why is it thought better to have the government purchase the wharf?

Mr. KING (Kootenay): The present wharf is not being maintained, and to-day the public are without any accommodation at all.

Sir HENRY DRAYTON: Is not the other wharf which you are buying available for the general public?

Mr. KING (Kootenay): It was, but it is not being maintained by Mr. Wilde, and to-day it is not safe for use.

[Mr. J. H. King.]

Sir HENRY DRAYTON: What is the record of the business done over it?

Mr. KING (Kootenay): We have no information.

Sir HENRY DRAYTON: Does the minister know if Wilde made any dock charges or not?

Mr. KING (Kootenay): I have no information. During the storm last year a steamer was lying at this wharf, which became more or less wrecked, endangering the steamer and causing considerable expense and delay.

Sir HENRY DRAYTON: What was the date of Mr. Fielding's visit?

Mr. KING (Kootenay): His letter submitting the petition of the residents is dated February, 1923. In May and October of the same year he wrote strongly urging the necessity of wharfage accommodation.

Item agreed to.

Shelburne—wharf repairs, $1,500.

Sir HENRY DRAYTON: What is the necessity for the extra grant there when we already have the contract of last year?

Mr. KING (Kootenay): We are renewing the guard timbers and placing new mooring posts and rings.

Sir HENRY DRAYTON: What did we spend $5,000 for the year before?

Mr. KING (Kootenay): In 1923-1924 there was a renewal of the top at an expenditure of $4,478.39. This is to complete the work.

Sir HENRY DRAYTON: Was that by tender?

Mr. KING (Kootenay): No, by day labour.

Sir HENRY DRAYTON: I do not suppose the minister misled the House last year when he said that the work would be done for $4,500. The estimate proved $1,500 too low?

Mr. KING (Kootenay): Quite right.

Item agreed to.

Ship Harbour—wharf, $4,100.

Sir HENRY DRAYTON: This is new work?

Mr. KING (Kootenay): There was an estimate for this work last year, for "wharf repairs at Ship Harbour." The word "repairs" was inserted in error, as the appropriation was clearly for the construction of a wharf as explained by the minister at page 4586 of Hansard. The minister then said:

Ship Harbour is in Halifax county. The estimated cost is the amount of the vote. It is to construct

a pilework wharf 80 feet long and 20 feet wide with an ell 20 feet by 30 feet. The purpose is to provide shipping accommodation for the residents of Ship Harbour and the surrounding districts by shortening the haul from the mills to the now only available wharf by a distance of about 4½ miles, over a very hilly road. It is a farming and fishing district.

Last year there was an error in setting out the vote in the estimates. It is construction, not repair, so we are asking for the vote this year. The work was not done last year.

Mr. STEWART (Leeds): What representations have been made asking for this work?

Mr. KING (Kootenay): That information is given in the explanation which I just read.

Mr. MARTELL: I have had an opportunity of visiting that section of country and it is one of the finest harbours in the world. The people there have no facilities for carrying on their business. If the hon. member could only come down to Nova Scotia I would be glad to arrange to take him on an automobile drive of ninety or a hundred miles in Hants county which would show him the beauty of that part of the country.

Item agreed to.

Tiverton—breakwater extension, $14,000.

Mr. CALDWELL: I see this is a revote. Are most of these revotes due to the fact that supply was voted too late last year to get the work done?

Mr. KING (Kootenay): Largely, yes.

Mr. CALDWELL: In view of the statement made by the minister a short time ago I suggest that the House should meet earlier in the season. There are several reasons for that. One is, as the minister has said, that supply is voted so late that it is impossible to carry on this work, and it is just possible that the construction of a good deal of this new work from year to year has been due to the fact that work began too late in the fall owing to the late voting of supply. Then there is another important reason: A great many hon. members would rather be in session here during the winter than during the summer. I urge strongly upon the government that the estimates be brought down earlier in the session and that the session be called earlier in the year.

Item agreed to.

Walton—breakwater repairs, $1,800.

Mr. GOULD: I would ask a question generally about these breakwaters. I understand there is a deep tide there, and I wondered what height above the natural water these breakwaters were.

Mr. MARTELL: Before the minister answers I may say to my hon. friend that he is speaking on the item relating to Walton, which is in the county of Hants. Walton is the home of my ablest opponent in the last election, Mr. Parsons. I have nothing against him personally. He and I are close personal friends, though we do not step with the same foot politically. If $15,000 or $20,000 was being voted for this purpose I would support it, because as a matter of fact I asked for 150 per cent more than what is provided in these votes for ordinary repairs. In all the districts where these votes are given the majority of the people are neither Liberal nor Progressive, but Conservative; nevertheless when it comes to a question of the encouragement of industry I believe in taking the necessary steps irrespective of what people carry on that industry or what their political beliefs are. The hon. member (Mr. Gould) probably does not know our section of the country. I would like him to come down there some time and see it, not in the spring when those fogs prevail which are the bane of the people of our province, but when the apple trees are in blossom, when gypsum quarries, of which Mr. Parsons is a great operator, are working, and when the lumbermen are shipping their products. The tides in that section of the country from time to time recede to such an extent as to leave the rivers nothing but beds of mud.

Mr. LEWIS: Is the hon. member in order? We want to get on with the business. We do not want to be here forever.

Mr. MARTELL: The hon. member (Mr. Gould) referred to the height of the wharf above the tides. If my hon. friend (Mr. Lewis) is a landlubber he had better be patient. If hon. members would come down to my part of the country they would be in a position to criticise, adversely or otherwise—

Mr. CALDWELL: We are trying to pass the item.

Mr. MARTELL: No, you are trying to obstruct it.

Mr. GOULD: I merely rose to ask for information, and the question is not yet answered.

Mr. KING (Kootenay): I understood that the hon. member (Mr. Martell), who has knowledge of the locality, had given the information. The height of the wharf is 24 feet; that would be from the bottom sill up. I do

not know the extent of the tides there, but I suppose the top would be four or five feet above high water.

Mr. GOULD: Have the engineers taken into consideration the pressure of the tides and have they made an estimate of what the total cost would be to complete the work so as to make it permanent in its character at these various points and render unnecessary these haphazard votes year in and year out?

Mr. KING (Kootenay): They are not haphazard; the works are all carefully gone into by the engineer in charge. Many of these works are timber and stone cribwork which are subject to decay and deterioration. There will be annual repairs. My hon. friend, I think, has in mind the hope of permanent construction, something that will wipe out these annual votes. Permanent construction on our coast line, with the present population, would be a very formidable task to undertake. We find that in view of the character of the works and the service they are supposed to render the manner in which we are carrying on these works is the most economical one.

Mr. MARTELL: If my hon. friend from Assiniboia would come down there he would find it is absolutely impossible, unless you spend millions and millions of dollars, to make a permanent structure along the Avon river and in Minas Basin. We have there the highest tides in the world, and you may dredge around the wharves to make berths for the vessels, but in the winter season the water freezes and afterwards you have these immense tides that carry the mud right back again, so it is practically a continuous task to keep these harbours clear.

Mr. CALDWELL: How high is the tide, thirty-six feet?

Mr. MARTELL: Up to sixty feet. My hon. friend has evidently not been over that portion of the country, but as usual he is a sailor, a marine engineer, a dredger, and a lawyer too.

Item agreed to.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING moved the adjournment of the House.

Mr. IRVINE: May I ask if the House is sitting to-morrow? It is Dominion Day, and I think we ought to recognize that as a holiday.

Mr. MACKENZIE KING: I announced in the House a few days ago that it was the intention to sit on Dominion Day, and no objection was taken. I doubt if there is any better way in which we could observe the holiday.

Mr. IRVINE: Then why not observe them all that way? I do not see why we should disregard our country's birthday, our own particular holiday.

Mr. MEIGHEN: I think myself it is a mistake for us to be sitting on Dominion Day. The Prime Minister did mention it on Friday, immediately after the opening of the House. I did not catch it myself, or I would have objected then. Dominion Day is perhaps the most outstanding holiday of the year, the commemoration of the birth of this country. We are, I know, pressing to get through the work of the session at this period, but it seems too bad to be observing every manner of holiday as a holiday all through the session, and then to ignore altogether the one that really means more to our country than perhaps any other.

Mr. MACKENZIE KING: I submit we are not ignoring the holiday in attending to the country's business. In Great Britain the House of Commons sees fit to sit on the King's birthday and on other days that are set apart as holidays. I am inclined to think the country will back up our position very strongly to attend to the country's business on the holiday.

Mr. MEIGHEN: I would object less to sitting on the 24th of May than to sitting on the anniversary of the birth of our own country. It seems to me it is overdoing it to be sitting then. If that is not ignoring the holiday, there is no other way of ignoring a holiday that I know of.

Mr. CASGRAIN: When we were sitting in the Museum in 1919 the session lasted, if my memory serves me right, until the 10th of July, and we sat on Dominion Day. I have sitting beside me the hon. member for Queens (Mr. Sinclair), now occupying the treasury benches, and he remembers very well that the House sat on that day, and the session was prolonged until the 10th of July. If that was right when my right hon. friend was leading the government, or when he was one of the real leaders of the government, I do not see why it should be wrong to-day.

Mr. LEWIS: Do the civil servants get a holiday to-morrow if the House sits? I think they ought to get the holiday.

Mr. MACKENZIE KING: Yes.

Mr. SHAW: Although it does inconvenience a great many of us, particularly the members from the West, I do think we should observe the 1st of July. Of all days of the year I think it is the most important, and if Canada ever means anything to us I think parliament should set a standard in that regard.

Mr. MARTELL: I am absolutely in accord with the right hon. leader of the opposition and with the hon. members for Calgary. Surely if we have a birthday in this country we should observe it. We keep all manner of holidays in this country, as the leader of the opposition has said, and we sit night and morning to make up for them. For heaven's sake, let us have some pride in our country and observe Dominion Day.

Motion agreed to and the House adjourned at 11.50 p.m.

Tuesday, July 1, 1924.

The House met at three o'clock.

HOME BANK INVESTIGATION

REPORT OF COMMITTEE ON BANKING AND COMMERCE

Mr. HERBERT MARLER (St. Lawrence-St. George): In the absence of the hon. member for Lotbinière (Mr. Vien) I beg to present the eleventh report of the select standing committee on Banking and Commerce as follows:

Your committee have had under consideration the order of reference from this honourable House, dated 31st March, 1924 which reads as follows:—

"That, in the opinion of this House, in view of the failure of the Home Bank, and of the fact that official prosecutions and inquiries have been instituted, including the Royal Commission which has been appointed to investigate the facts alleged in the petition represented by the depositors of the bank and the affairs of the bank generally; and considering that the evidence received and to be taken before the several tribunals will be available for consideration, the Select Standing Committee on Banking and Commerce should be instructed to consider the provisions of the Bank Act with a view to recommending such amendments to the act as will better protect the interests of depositors generally and will prevent similar occurrences in the future; and also to consider the report of the Royal Commission in its bearing upon these matters and with respect to the possiblity of saving the Home Bank depositors from loss," be referred to the Select Standing Committee on Banking and Commerce for such action as the committee may deem advisable.

And also the order of reference dated 11th June, 1924, reading as follows:—

"That the Interim Report of the Royal Commission respecting the Home Bank be referred to the Select Standing Committee on Banking and Commerce."

Your committee have sat from time to time, and have studied the interim report on the Home Bank submitted by Mr. Chief Justice McKeown and the evidence therein referred to.

Your committee consider that the facts therein brought out and the evidence therein referred to clearly establish that the depositors of the Home Bank have no claim under the law of the land for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

But your committee are also of the opinion that in view of the representations made to the Department of Finance in the years 1916 and 1918, the government of the time could have made in 1916 and in 191 an effective audit under Section 56-A of the Bank Act and if such an effective audit or thorough investigation into the bank's affairs had been made it would have resulted:—

1. In the immediate liquidation of the bank, or
2. Its amalgamation with another bank, and that the effect yould have been, no loss to the depositors in 1916 or 1918.

Your committee have studied the evidence given before the Royal Commission by Sir Thomas White, who was then Minister of Finance, and particularly his statements: "I would never think of putting in a special auditor in a bank and taking chances, especially at a time like that, of closing the bank," (page 345); and further: "Under no circumstances would I have allowed a bank to fail during the period in question. I had many difficult and dangerous financial situations to deal with during the war. At its outbreak, in view of the panic which prevailed, the government, at my instance, placed itself behind the banks of Canada and gave public assurance that it would loan them such sums as they might require to meet the conditions of the war, and would take all further steps necessary to safeguard the financial situation during its continuance" (page 359); and further: "The action I took was in my discretion; in exercising his discretion, a minister must have regard to conditions, because conditions have a direct bearing upon the consequences attendant on his action to the bank and the general situation. If you make a mistake in putting in an auditor, in peace time the consequences may be a run producing little effect upon the bank; if in war time, you may bring down the bank and, in addition, you may cause an unspeakable calamity to the country." (page 743).

Your committee is not called upon to question the manner in which Sir Thomas White made use of the powers given to him, or whether he exercised his discretion correctly or otherwise.

Your committee consider that the facts brought out in the interim report submitted by Mr. Chief Justice McKeown, and the evidence therein referred to, establish that the depositors of the Home Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

THOMAS VIEN,
Chairman.

Mr. MEIGHEN: Is the report concurred in by all the members of the committee?

Mr. MARLER: It is a majority report of the committee.

OLD AGE PENSIONS

Mr. W. G. RAYMOND (Brantford) presented the second and final report of the special committee appointed to make inquiry into an old age pension system for Canada, as follows:

The Special Committee appointed to inquire into an old age pension system for Canada has the honour to present the following as its second and final report:

Your committee has inquired into the systems which are in operation in England, Australia, New Zealand and certain other countries, examined witnesses, carefully considered their suggestions, and compared the information obtained from thirty-one municipalities throughout Canada, in reply to a questionnaire sent to one hundred and thirty-five mayors of cities and towns in every province.

This question has been before this House at different times since 1907, but no definite recommendation was made by any of the committees to which it was referred.

After careful consideration of the information obtained from the sources enumerated, your committee respectfully recommends:

1. That an old age pension system be established at the earliest possible date for deserving indigent persons to seventy (70) years of age and upwards.

2. That applicants for pension must be British subjects of at least twenty (20) years' residence in Canada, or naturalized subjects of at least fifteen (15) years' naturalization and twenty-five (25) years' residence.

3. (a) That the maximum rate of pension be twenty ($20) dollars per month which will be lessened by private income or partial ability to earn:

(b) That one-half the amount of pension payable be borne by the federal government; the other half, by the provincial governments of such provinces as express by legislation their desire to adopt the system —the cost of administration to be borne by the provincial governments.

Your committee has estimated that under such a system there would be approximately 98,841 eligible pensioners, and that if all of these were to receive the maximum rate of pension, namely, twenty ($20) dollars per month, the federal government's portion of the total yearly expenditure would amount to $11,860,920. This amount, however, would be reduced by any private income or partial earnings.

Your committee further recommends that the government communicate with the various provincial governments to ascertain if they are disposed to adopt the above system and enact the necessary legislation.

Your committee also begs to recommend that its proceedings together with the evidence taken, be printed as an appendix to the journals of this House.

For the information of the House, a copy of the proceedings and evidence, a synopsis of the communications received from the municipalities, and a statement of the expectation of life prepared by the Department of Insurance, are appended to this report.

All of which is respectfully submitted.

W. G. RAYMOND,
Chairman.

Mr. CRERAR: Is that a unanimous report from the committee?

Mr. RAYMOND: It is a unanimous report of the members present at the final meeting; all the members of the committee were not in attendance.

CROWSNEST PASS AGREEMENT

Hon. T. A. CRERAR (Marquette): Mr. Speaker, I desire to present a petition from George Pateman and sixty-six others praying that the Crowsnest pass rates be not further suspended or abrogated. This petition comes from Marquette constituency.

BUSINESS PROFITS WAR TAX ACT, 1916, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, That it is expedient to provide, that The Business Profits War Tax Act, 1916, and amendments, shall be construed and have effect and be deemed to have had effect since its enactment without lapse or interruption as if section twenty-six thereof when first enacted had provided as follows:—

"The provisions of section three of this act shall not continue in force after the thirty-first day of December, one thousand nine hundred and twenty;" and anything enacted inconsistent therewith shall be deemed to have been superseded amended or repealed, as the circumstances may require, and all taxes, interest and penalties payable under the said act and amendments shall remain a tax owing to His Majesty until fully paid and satisfied.

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

Motion agreed to.

Mr. ROBB: If there is unanimous consent, Mr. Speaker, I am ready to proceed with the resolution now.

Sir HENRY DRAYTON: I consent, Mr. Speaker.

Mr. IRVINE: I would rather that this resolution be discussed at some other time.

Mr. ROBB: All right.

Mr. SPEAKER: Stands.

PUBLIC SERVICE RETIREMENT ACT EXTENSION

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, That it is expedient to provide that the operation of the Public Service Retirement Act shall be extended until the thirty-first day of March, 1925, and that the said act shall be deemed not to have expired and ceased to be in force after the first day of July, 1924, but to have continued and to be in force for all purposes thereof whatsoever until the thirty-first day of March, 1925.

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 this House.

Motion agreed to.

VICE ADMIRAL SIR FREDERICK FIELD

On the Orders of the Day:

Mr. ANDREW McMASTER (Brome): Mr. Speaker, I wish to direct the attention of the government to the following fact, and to address to it the following inquiries in relation thereto:

Recently, at Victoria, B.C., Vice Admiral Sir Frederick Field, the principal speaker at a public luncheon given in honour of the British squadron visiting that city, is reported to have stated that he personally believed that Canada should equip and maintain four cruisers, two of which would be held on the Pacific and two on the Atlantic.

My first question is, whether the government invited this distinguished sailor to give this advice.

In the event of the answer to this question being in the negative, in view of the fact that this country is a loyal supporter of the League of Nations, is anxious to see naval and military expenditure cut to the minimum, is conscious that war has proved a dismal failure as a means of settling international disputes, is convinced that our financial solvency, if not our very civilization itself, depends on the reduction of armaments,—would the government take into consideration the advisability of communicating either directly with the gentleman in question, or through the appropriate officers of the state he serves, to the effect that such pronouncement as that delivered by the Vice Admiral on a matter of purely Canadian national policy is undesirable?

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, in reply to my hon. friend, I desire to say that the government did not invite Vice Admiral Field to make any such statement as is attributed to him. The well-recognized principle has always obtained that the question of how much shall be spent by the Canadian people on naval or other services is a matter which rests with the Canadian government and parliament alone. In the past there have been occasions, I believe, when the government of the day has seen fit to invite opinions from the authorities in the Mother Country with respect to naval matters. On this occasion there has been no request for any such opinion or advice. Naturally the statement that is attributed to Vice Admiral Field is one which should not be considered merely upon the basis of a newspaper report, but I shall take steps to verify whether he uttered the statement in question, and then take whatever course may be deemed best in order to assert the well-recognized practice in regard to these matters.

Mr. LANCTOT: Tell him to mind his own business.

STRIKE OF POSTAL EMPLOYEES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the morning papers contain reports to the effect that the former striking postmen of Toronto still cling to the opinion that the Minister of Labour (Mr. Murdock) gave them certain assurances not included in the statement yesterday of the Acting Postmaster General (Mr. Stewart). I think the House should have a statement on the subject from the Minister of Labour direct.

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, in an experience of something like thirty years in dealing with labour disputes I have never seen the press of any city publish such misrepresentations as the press of Toronto have published relative to the postal strike and the settlement thereof. On Sunday last I discussed no question with anyone whatsoever except the one question as to whether all of the strikers at Toronto were to return to duty or only about one thousand for whom there were places.

LEAGUE OF NATIONS—LABOUR

EMPLOYMENT OF CHILDREN AT SEA

Hon. JAMES MURDOCK (Minister of Labour) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to bring in a measure to confirm a certain convention relating to the employment of children at sea, adopted at Genoa on the 9th day of July, 1920, by a general conference of the International Labour Organization of the League of Nations; and to provide that no child under the age of fourteen years shall be employed on any ship except as permitted under such convention; that a list of persons under sixteen years of age so employed, or a register thereof, shall be kept; that penalties be imposed for violation of the proposed legislation; and that the act shall not apply where all the crew are members of the same family, or the child was lawfully employed at the commencement of the act.

Mr. BAXTER: I would like to ask the Minister of Labour whether the expression "children at sea" is intended to refer to the present government?

Mr. GRAHAM: That is prolonging the debate.

Motion agreed to and the House went into committee, Mr. Marcil (Bonaventure) in the chair.

Mr. MEIGHEN: The minister might advise us as to the terms of the convention. If it is not too long I think it should be read and inscribed in Hansard, and if it is too long the

minister should say whether it has any other contents except those embodied in the resolution.

Mr. MURDOCK: The object of this draft convention is merely to prohibit the employment of children under the age of fourteen years on vessels engaged in maritime navigation. The provincial school laws in Canada provide for the attendance of youths at school; the factory acts of the several provinces prohibit the employment of children under fourteen in industrial establishments; but there is no provision in the Canada Shipping Act which specifically forbids the employment of children under fourteen, and as it is doubtful if any youths under this age are employed on seagoing vessels from Canadian ports, it was thought that the proposal involved in the draft convention would be regarded as non-contentious. The draft convention has been ratified by Great Britain, Sweden, Roumania, Bulgaria and Esthonia. Ratification has been authorized by Denmark, Finland, Italy, Japan, Holland and Poland. Bills, and so forth, looking to ratification are pending in Spain, Belgium, Germany, Argentine, Chilé, Cuba and Lithuania. Legislation has also been adopted on the subject in Norway and is in preparation in India.

Mr. MEIGHEN: What have the other dominions done in the matter?

Mr. MURDOCK: We have no record of any definite action having been taken by the other dominions.

Mr. MEIGHEN: Of course the United States is not a party?

Mr. MURDOCK: No.

Mr. MEIGHEN: Has the United States any law on the subject?

Mr. MURDOCK: Yes, I understand that they have a law dealing with the same question. I have not a copy of it with me.

Mr. MEIGHEN: Does the minister know from recollection what its effect is?

Mr. MURDOCK: Its effect is intended to be to prevent the employment of children at sea under fourteen years of age.

Mr. IRVINE: Will this law apply to shipping on the Great Lakes?

Mr. MURDOCK: The intention is to incorporate it into the Canada Shipping Act, and it would apply wherever the Canada Shipping Act applies.

Mr. IRVINE: Does the Canada Shipping Act apply to the Great Lakes?

Mr. MURDOCK: Yes.

[Mr. Meighen.]

Mr. CARROLL: With reference to the last two lines of the resolution—

> The act shall not apply where . . . . the child was lawfully employed at the commencement of the act.

Is there any law at present against the employment of children at sea under fourteen years of age?

Mr. MURDOCK: No, I think not.

Mr. CARROLL: So that any child employed at the commencement of this act would be legally employed?

Mr. MURDOCK: Yes.

Mr. MEIGHEN: Is it in accordance with the terms of the original convention that there should be an exception in the case of children now employed under fourteen? It would seem to be an unjust exception.

Mr. MURDOCK: The intent is that no prosecution shall be taken where, upon the coming into force of this act, certain children are at that time so employed. Of course, later there would have to be a compliance with this law.

Mr. MEIGHEN: That is the point I am raising. Suppose a child twelve years of age is employed at sea at the time of the coming into effect of this act; can that child continue so to be employed?

Mr. MURDOCK: I understand not. That is not the intent.

Mr. MANION: The resolution states:

> That it is expedient to bring in a measure to confirm a certain convention relating to the employment of children at sea.

I do not think the minister was very definite in stating that the act would apply to the Great Lakes. It is important to make sure of that, because it would be rather strange to apply the law to ships at sea and not to ships on the Great Lakes. When we are passing a law of this kind we should make it uniform for Canada.

Mr. MURDOCK: The purpose is to incorporate the subject matter of this resolution and of three other resolutions that will be before us for consideration into the Canada Shipping Act, so that it will apply where the Canada Shipping Act applies, which would be, as I understand it, on the Great Lakes as well as on the ocean coasts.

Mr. MEIGHEN: I would ask the minister before he brings in the bill to pay special attention to the point raised by the hon. member (Mr. Carroll), because as this reads it seems to make an exception of any case where

a child is employed at the time of the coming into effect of the act and to provide that the continuation of that employment shall not be an offence.

Mr. HUGHES: The resolution also provides:

This act shall not apply where all the crew are members of the same family.

In some cases the captain takes his own son with him as a cabin boy, and I do not think that is objectionable, for a part of the year at all events. Perhaps the intention is to train him up and make him a seafaring man later on, and it is a very good training. There might be only one member of the family on board, the captain's own son.

Mr. MARTELL: That is a detail of the bill.

Mr. HUGHES: Yes, but it is in the resolution and it may be well to call the minister's attention to it now.

Resolution reported, read the second time and concurred in. Mr. Murdock thereupon moved for leave to introduce Bill No. 214, to carry out a certain Convention relating to the Employment of Children at Sea.

Motion agreed to and bill read the first time.

STOKERS AND TRIMMERS—AGE

Hon. JAMES MURDOCK (Minister of Labour) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to confirm a certain draft convention fixing the minimum age for the admission of young persons to employment as trimmers or stokers, adopted at Geneva on the 11th day of November, 1921, by a General Conference of the International Labour Organization of the League of Nations; to provide that any persons under the age of 18 years shall not be employed or work as trimmers or stokers on vessels engaged in maritime navigation excluding ships of war, vessels mainly propelled by other means than steam, and school ships or training ships.

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

Mr. IRVINE: I would like to ask the minister if he would be willing to modify the resolution slightly so as to include ships of war as well as merchant ships.

Mr. MURDOCK: I might be perfectly willing to do so but I do not think we could undertake to include that modification here. The draft convention which we are now undertaking to ratify did not take into consideration ships of war, and I fear that if that point was insisted upon the whole matter, so far as our ratification is concerned, would fall.

Mr. HOEY: Canada was represented at the conference, of course?

Mr. MURDOCK: Yes.

Mr. IRVINE: I see the point the minister brings out, but I do not see why those who are recommending this convention would object to our carrying out the principle underlying their recommendation a little further than they went themselves. I think they ought to be grateful to us.

Mr. MURDOCK: I am not disagreeing with my hon. friend on that point.

Mr. GARLAND (Bow River): Is there any valid reason why Canada should not take an independent position in this matter? We could agree with the convention as far as it goes, and the general principle underlying it will be embodied in the bill subsequently to be brought down; but speaking for Canada, and certainly we have that right, we could exempt Canadian children from serving on board ships of war.

Mr. MURDOCK: My understanding is that we would not be considered as ratifying the convention unless we ratified it in the specific terms in which it came to us from the International Labour Conference where it was adopted. On several questions, for instance on the eight-hour day, there has been a disposition on the part of some countries to adopt regulations varying somewhat from the convention that emanated from the first Washington Conference, and the result is that no action has been taken. So, if Canada is to be regarded as ratifying this convention as it came to us from the International Labour Conference of 1920, it has to be done in the specific terms in which it came to us as well as to other countries.

Mr. McMASTER: I would point out to the hon. member for Bow River that what he desires could be readily accomplished by the government just declining to hire as stokers and trimmers on our ships of war any people under the age of eighteen.

Mr. IRVINE: I might point out, for the information of the hon. member for Brome (Mr. McMaster) that the government could achieve the same purpose by simply resolving not to allow anybody to hire anybody on other ships, without any regulations at all.

Mr. GARLAND (Bow River): I think I see a glint of sympathy in the eye of the Minister of Labour. I would therefore ask him to consider favourably the introduction of a bill, separate and distinct from the one in which we shall be ratifying this convention, which will set forth the ideas that I think we mutually have in mind.

Mr. MANION: I would ask the minister what is meant by "trimmers" in the resolution.

Mr. MURDOCK: It is not the minister's term, but the minister would understand that a trimmer was in effect a coal passer, one who passes the coal up to the stoker.

Mr. MANION: I took it that it had something to do with the stoking, but in order to avoid complications I would point out that the term "trimmer" is used on the Great Lakes to designate the men who are handling the grain when trimming the ship. We had better avoid mixing terms. and it is a fact that wherever grain is being handled from the elevators to the boats, there are large gangs of men who are hired as trimmers to level the grain and thereby trim the ship.

Mr. MEIGHEN: I would suggest to hon. gentlemen to my left that they need not exercise themselves too much about trimmers on our war vessels. They may have some on board under eighteen years of age, but they cannot get very many, and it may be possibly nobody over that age could get on. The real point, surely, is this: War vessels are all owned by the states who are parties to this treaty. Consequently, it is in the power of the government itself to do just what it considers right, and no matter what the law, no government and no people are going to permit themselves to be annihilated rather than put on a boy under eighteen as a trimmer. There is not going to be anybody put on unless under sheer and dire necessity any way.

Mr. GRAHAM: They might be drafted.

Mr. MEIGHEN: I do not think the point of my hon. friend has any great force. Why is it these conventions are only coming down now for ratification? They are three and four years old.

Mr. MURDOCK: These matters were not dealt with before this government came into office.

Mr. MEIGHEN: The convention was only entered into at Geneva in November, 1921.

Mr. MURDOCK: The subject matter of this particular convention was dealt with at the 1920 session of the International Labour Conference.

Mr. MEIGHEN: In 1921, it says.

Mr. MURDOCK: It was originally dealt with in 1920 but was finally adopted in 1921.

[Mr. Garland.]

Mr. MEIGHEN: I was just wondering what reason there was for the delay. Is there any reason except that other countries did not follow the matter up?

Mr. MURDOCK: One reason is that for five weeks hon. gentlemen opposite were greatly concerned about the honour and dignity of parliament.

Mr. MEIGHEN: I think there is a better explanation, although I really do not know what it is. Is it because we were waiting for other countries to take action? That might be a very good reason for the delay.

Mr. MURDOCK: No, that is not the reason. As a matter of fact these conventions do not affect Canada to any great extent. Canada, I think, without very much discussion adheres to the principles that are laid down in all these four resolutions. The object is to give ratification to this convention as soon as possible and thus comply with the desire of the League of Nations and the International Labour Conference. The matter was not reached until the present session of parliament; that is the only reason for the delay.

Resolution reported, read the second time and concurred in. Mr. Murdock thereupon moved for leave to introduce Bill No. 215, to amend the Canada Shipping Act, to give effect to certain Draft Conventions adopted by a General Conference of the International Labour Organization of the League of Nations.

Motion agreed to and bill read the first time.

EMPLOYMENT OF CHILDREN AT SEA—MEDICAL EXAMINATION

Hon. JAMES MURDOCK (Minister of Labour) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to confirm a certain Draft Convention concerning the Compulsory Medical Examinations of Children and Young Persons Employed at Sea, adopted at Geneva on the 11th day of November, 1921, by a General Conference of the International Labour Organization of the League of Nations; to provide that the employment of any child or young person under 18 years of age on any vessel engaged in maritime navigation, other than vessels on which only members of the same family are employed, shall be conditional on the production of a medical certificate attesting fitness for such work and that the continued employment at sea of children and young persons shall be conditional on the repetition of medical examination at intervals of not more than one year.

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

Mr. IRVINE: I draw the minister's attention to the sentence "other than vessels on which only members of the same family are employed." It would seem to me that a family of children growing up on a vessel are just as much in need of protection as other children. What is the reason for the exemption? Is this following the wording adopted by the International Labour Conference?

Mr. MURDOCK: I do not know that I get my hon. friend's question. My understanding is that this exception is so as not to interfere with a family who are handling a sailing vessel, as a fishing boat, that might naturally be regarded as their home or regular place of residence. There is no intention of requiring compulsory medical examination within the meaning of this draft Convention under such conditions.

Mr. IRVINE: The minister's explanation does not exactly meet the point. A boy who may be at sea on his father's boat may be in great need of medical attention.

Mr. MURDOCK: A child might be in need of medical attention on land or anywhere else, but the presumption is that if he is under his father's care he is receiving all the attention possible consistent with the conditions. This is only to prevent the hiring and the use of children other than one's own without proper medical examination, as I understand it.

Mr. ROSS (Kingston): Is there any suggestion as to where and by whom this medical examination will be made?

Mr. MURDOCK: The convention is short and, perhaps, if I read the document it will afford hon. members the information they want:

Draft Convention Concerning the Compulsory Medical Examination of Children and Young Persons Employed at Sea.

Article 1.—For the purpose of this convention, the term "vessel" includes all ships and boats, of any nature whatsoever, engaged in maritime navigation, whether publicly or privately owned; it excludes ships of war.

Article 2.—The employment of any child or young person under eighteen years of age on any vessel, other than vessels upon which only members of the same family are employed, shall be conditional on the production of a medical certificate attesting fitness for such work, signed by a doctor who shall be approved by the competent authority.

Article 3.—The continued employment at sea of any such child or young person shall be subject to the repetition of such medical examination at intervals of not more than one year, and the production, after each such examination, of a further medical certificate attesting fitness for such work. Should medical certificate expire in the course of the voyage it shall remain in force until the end of said voyage.

Article 4. In urgent cases, the competent authority may allow a young person below the age of eighteen years to embark without having undergone the examination provided for in Articles 2 and 3 of this convention, always provided that such an examination shall be undergone at the first port at which the vessel calls.

Article 5. Each member of the international labour organization which ratifies this convention engages to apply it to its colonies, possessions and protectorates, in accordance with the provisions of articles 421 of the Treaty of Versailles and of the corresponding articles of the other treaties of peace.

Mr. LEADER: Is it the intention of the government to hold more conventions in Geneva in the future?

Mr. MURDOCK: My hon. friend refers to international labour conferences?

Mr. LEADER: Yes.

Mr. MURDOCK: A conference is proceeding at the present time, and the former Deputy Minister of Labour is one of the representatives. The probabilities are that each year there will be one of these international labour conferences as provided for in the Treaty of Versailles, the treaty of peace. An attempt was made some few years ago to have a labour conference every two years instead of every year, and my personal opinion is that possibly that plan will be adopted in the near future; possibly not at this conference now going on, but at some future conference.

Mr. LEADER: The reason I ask the question is that I think the minister should keep his eye on the expense sheet of the travelling expenses of these delegates to the convention. I have before me copies from the Auditor General's Report, 1922, where I find the following:

Expenses of the Hon. C. J. Doherty, Sir George Foster, and the Hon. N. W. Rowell, travelling expenses amounting to $16,409.22.

In the same report, and I presume relating to the same conference, I find an item:

Advanced to Sir Charles Gordon, $8,000; advanced to Edouard Montpetit, $8,000.

The CHAIRMAN: I call the hon. member's attention to the fact that this debate seems to be getting into a discussion which would be proper in supply and could hardly come up on a resolution of this kind, regarding medical examination of children. I think the hon. member is getting beyond the point of relevancy.

Mr. LEADER: I have more to say, but I will desist.

Mr. MURDOCK: My estimates will be up a little later and then the hon. gentleman will have a chance to discuss this question.

Resolution reported, read the second time and concurred in.

LOSS OF SHIP—UNEMPLOYMENT INDEMNITY

Hon. JAMES MURDOCK (Minister of Labour) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to confirm a certain draft convention concerning unemployment indemnity in case of loss or foundering of the ship, adopted at Genoa on the 9th day of July, 1920, by a general conference of the International labour organization of the League of Nations; and to provide that in the case of loss or foundering of any vessel the service of a seaman shall terminate before the date contemplated in the agreement, he shall be paid unemployment indemnity for the days during which he remains in fact unemployed for a period not exceeding two months.

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

Mr. MURDOCK: This convention is very short, and if I read it, possibly its meaning will be clear to hon. members. It reads:

Draft Convention Concerning Unemployment Indemnity in Case of Loss or Foundering of a Ship

Article 1. For the purpose of this convention the term "seamen" includes all persons employed on any vessel engaged in maritime navigation. For the purpose of this convention the term "vessel" includes all ships and boats of any nature whatsoever, engaged in maritime navigation, whether publicly or privately owned; it excludes ships of war.

Article 2. In every case of loss or foundering of any vessel, the owner or person with whom the seaman has contracted for service on board the vessel shall pay to each seaman employed thereon an indemnity against unemployment resulting from such loss or foundering.

This indemnity shall be paid for the days during which the seaman remains in fact unemployed at the same rate as the wages payable under the contract, but the total indemnity payable under this convention to any one seaman may be limited to two months' wages.

Article 3. Seamen shall have the same remedies for recovering such indemnities as they have for recovering arrears of wages earned during the service.

Article 4. Each member of the International Labour Organization which ratifies this convention engages to apply it to its colonies, protectorates and possessions which are not fully self-governing:

(a) Except where owing to the local conditions its provisions are inapplicable; or

(b) Subject to such modifications as may be necessary to adopt its provisions to local conditions.

Each member shall notify to the International Labour Office the action taken in respect of each of its colonies, protectorates and possessions which are not fully self-governing.

Mr. MEIGHEN: There is a technical point in connection with this resolution.

[Mr. Leader.]

Should not the word "if" be inserted in the fifth line? It says:

It is expedient to bring in a measure to confirm a certain draft convention concerning unemployment indemnity in case of loss or foundering of the ship, adopted at Genoa on the 9th day of July, 1920, by a general conference of the international labour organization of the League of Nations; and to provide that in the case of loss or foundering of any vessel the service of a seaman shall terminate before the date contemplated in the agreement, he shall be paid unemployment indemnity.

I think it should read: "if in the case of loss", and so on.

Mr. MURDOCK: It will not hurt at all, but I really do not think it is necessary.

Mr. MEIGHEN: I do not know what it means. It provides that:

In the case of loss or foundering of any vessel the service of a seaman shall terminate before the date contemplated.

Why should we provide that the service shall terminate? If we pass the resolution as it is we are providing that the service shall terminate, and we do not want to do that. We want to provide that if the service terminates at such a time then the men shall be paid.

Mr. MURDOCK: I think my right hon. friend is right.

Mr. MEIGHEN: It is clear that this is intended merely to impose an obligation on the vessel owner; that is to say, in his contract he must provide for certain payments to be made to the men not only for any days they may be unemployed during the term of the contract but for a maximum of two months extra in the case of the foundering of the vessel.

Mr. MURDOCK: Yes, that is right.

Amendment agreed to.

Mr. SUTHERLAND: One of the objections I intended to raise has already been stated by the leader of the opposition. I have another reason for objecting to the resolution however; it seems to me that every provision is being made for the seamen and none whatever for the person who may sustain considerable loss through the foundering of his vessel. The vessel owner might lose his ship and be ruined, yet he becomes responsible for two months' wages to the seamen on board who survive the disaster, even although he may be utterly unable to pay them. There is too little consideration on the one hand and too much on the other.

Mr. MURDOCK: Is it not reasonable to assume that the vessel will be insured?

Mr. SUTHERLAND: Let us assume also that in some cases vessels may not be insured. In any such case is the vessel owner to be responsible for the maintenance of the men for two months?

Mr. McMASTER: We are entitled to take it for granted that every vessel owner will follow the usual practice and have his vessel insured.

Mr. WHITE: How many nations have adopted similar legislation?

Mr. MURDOCK: So far the convention has been ratified only by Bulgaria and Esthonia. Ratification has been authorized by Great Britain, Italy, Holland and Poland. The necessary procedure has been set in motion for ratification in Belgium, Denmark, France, Germany, Spain, Lithuania, Cuba, the Argentine Republic and Chile. Legislation on the subject has also been introduced in Norway.

Mr. WHITE: Apparently, then, this legislation, in the course of four years, although contemplated by all these countries, has been adopted only by two small nations. What is the attitude of the United States to a regulation of this kind, which might seriously add to the cost of shipping?

Mr. MURDOCK: The United States is not a member of the League of Nations and therefore does not hold membership in the international labour organization. I think however that its shipping laws in respect of the matters covered in these resolutions are about on the same basis as the legislation we now propose. One of the reasons why this matter has not been pressed before is Canada's reluctance to precede Great Britain in regard to such questions. I believe that only in one of the four instances we have under consideration this afternoon has Great Britain actually ratified the legislation, but in the other cases, as in this, ratification has been authorized. Of course, it will be some time before we reach the point of ratification even although these resolutions become effective in the shape of bills; there is a certain necessary form of procedure for the purpose and it has not been thought proper to try to get ahead of the Mother Country in ratifying these conventions.

Mr. SUTHERLAND: My hon. friend opposite (Mr. McMaster) assumes that all vessels would be insured, but there are a great many small boats on the lakes and elsewhere which, I can quite understand, might not be insured at all. In some cases the insurance might lapse through some oversight, or the owner might not be in a position to get insurance. Are we to make that owner responsible for two months' wages for the survivors of a wreck notwithstanding an entire loss on his own part? Surely the men might be expected to find employment in some other capacity within a short time after the loss of the vessel. I do not think that the fact that Bulgaria and Esthonia, two small nations, have so far adopted similar legislation is sufficient warranty for this parliament passing this law at the present time. I think we could very well allow the matter to stand for a while and see whether the other nations are going to pass this legislation. As to this resolution becoming effective when the bill is adopted by this House, it certainly will go into force when the act is signed by the Governor General, and we shall be linked up then with Bulgaria and Esthonia as three countries forming the advance guard in this matter. This legislation pays absolutely no regard to the vessel owner who might lose everything, but it makes him responsible for the maintenance of his crew after the foundering of his ship. It does not seem to be at all pressing, and in view of the stated desire of the government to get through with the work of the session as soon as possible I do not think that any serious hardship will ensue if the matter is deferred for another year, or not passed at all.

Mr. McBRIDE: It is not often that the hon. gentleman (Mr. Sutherland) and I agree, but I am in sympathy with the statement he has made; this legislation is not called for. I can remember an incident that occurred on the Pacific coast a little over a year ago. A widow owned a steamer which was not insured and which was lost; and that steamer was all that she had. Why should the crew be enabled to sue her for wages for two months while they go about idle? I repeat, the legislation is entirely uncalled for. Thirty days is about the limit of compensation a man can claim who is dismissed in ordinary occupations, why give seamen sixty days? Are they going to be a privileged class of people in this country?

Mr. MURDOCK: My hon. friend must remember that two months is not the minimum but the maximum.

Mr. McBRIDE: The minister may rest assured that the maximum will be claimed every time.

Mr. MURDOCK: Let us take the case suggested by the hon. member for South Oxford (Mr. Stuherland), of a vessel foundering on any of the lakes. Is it reasonable to

suppose that a seaman in that case could claim wages for sixty days? That seems to me to be far-fetched, because that man could easily get around to his home in a couple of days. Sixty days is the maximum and it is intended to apply in the case of seamen who are shipwrecked at a considerable distance from home, perhaps a thousand miles or so; the provision is that such a man should be paid two months' wages to enable him to return home if he is unemployed.

Mr. McMASTER: I do not think the committee need feel that sailors are going to be a privileged class. They are away from home most of the time, they are not present to urge their claims upon members of parliament and other public men, and therefore I think it behooves legislators to look after their interests. It seems to me that this is a very reasonable provision. The case cited by the hon. member for South Oxford (Mr. Sutherland) is, I think, a very extreme one, as the Minister of Labour has pointed out. The object of the convention seems very clear and plain. Sailors may be wrecked some distance from home before their agreement is up, and in that case the steamship owner, who as a rule will be insured, will be responsible for the unemployment indemnity, not exceeding two months. It is true, as pointed out by the hon. member for Cariboo (Mr. McBride), that there may be such a case as he brought before the House, of a widow woman, a ship owner, whose ship was lost and was not insured. But I think that will be found to be the exception, for it is one of the primary canons of the shipping business to have vessels insured. It is only the very largest steamship lines that carry their own insurance. I think it will be found that a very large proportion of the world's shipping is insured, as it should be. Insurance facilities are such that every reasonably practical vessel owner will have his ship insured against this contingent liability. This convention has been arrived at after careful consideration by all interested parties, and it behooves us to follow it. The argument has been brought forward that only two small nations have actually ratified the legislation. Well, the leader of the Conservative party (Mr. Meighen) stated in the House the other day that "Canada should lead the way." I forget exactly in what connection he made that statement, but it expresses an excellent sentiment—a sentiment that should appeal to all of us on Dominion Day.

Mr. MEIGHEN: I used the expression in relation to the attitude of the dominions in Empire affairs, that Canada being first and largest should lead. I do not take broad exception to the views expressed by the member for Brome (Mr. McMaster), but I really have not the same conception of the meaning of the clause that the Minister of Labour has, if I understood him rightly. He emphasized the fact that this is the maximun.

Mr. McMASTER: Not exceeding two months.

Mr. MEIGHEN: Yes. But the effect is this, that the sailor every time, providing his own master cannot take him on again within the period before the two months expire, can always claim the whole two months' indemnity. I think the member for South Oxford (Mr. Sutherland) is right in that respect.

Mr. McMASTER: It is not likely that the sailor will be so unfortunate as to be subject to constant founderings of his ship.

Mr. MEIGHEN: The member has missed the point. The maximum has this effect in all cases of foundering, that unless the master of the ship can get his vessel back into service again before the two months expire, he would be compelled to pay right to the limit of the two months.

Mr. HOEY: Unless the sailor found employment elsewhere.

Mr. MEIGHEN: The sailor has no incentive to find employment elsewhere when he is paid up to the full two months anyway. That is really what is in the minds of the member for Cariboo and the member for South Oxford.

Mr. McMASTER: It seems to me that this will happen—either he will be wrecked near his home, where it is to be presumed he will be able to find employment again; or if he is wrecked away from home it will be natural for him to take service in the ship that first presents itself giving him reasonably attractive opportunities of service. I think the objections raised to this convention are not serious; there is of course something to be said on the other side, but it seems to me that the object of the legislation will appeal to everybody, namely, not to allow a sailor who has been wrecked some distance from home to be stranded without some resource that he can call upon.

Mr. MURDOCK: This convention was adopted at the International Labour Conference of 1920 without a dissenting voice from the representatives of any nation, from any of the employers' representatives, from any of the employees' representatives, Mr. Thomas

Robb, manager of the Shipping Federation of Canada, was the employers' representative at that conference, he also agreed to the convention.

Mr. SUTHERLAND: That being the case, how is it that only those two small nations have ratified?

Mr. MURDOCK: For the same reason, I think, that we have not ratified it, there is nothing so very pressing and urgent as to necessitate its immediate ratification. But when we are in the position of giving effect to some of the conventions that emanated from the International Labour Conference, it appeared to be reasonable to couple up these four resolutions so as to incorporate them in the Canada Shipping Act at one and the same time. Practically the conditions proposed are in effect now, except this one, and I have not heard any complaint in this respect. But it is merely a question of proceeding not too hurriedly but in an orderly way to give effect to some of these conventions, if we can, because my hon. friend from South Oxford knows that at times questions are asked, such as: Why has Canada not given effect to some of the conventions emanating from the International Labour Conference? We are trying to do so on matters that are not seriously handicapping to Canada and are not of very serious moment to Canadians, but which will show that we are at least ready to take a step in the right direction.

Mr. McBRIDE: Would this act apply to coastwise shipping or only to ocean-going vessels?

Mr. MURDOCK: My understanding is that should this be incorporated in the Canada Shipping Act it would apply only to such vessels as come within the provisions of that act. I am of opinion that the widow's vessel which my hon. friend referred to a short time ago would not be covered by this convention because it would not be of sufficient tonnage.

Mr. McBRIDE: But I want to know definitely whether this applies to coastwise shipping or only to ocean-going vessels.

Mr. IRVINE: I would suggest that it ought to apply to coastwise shipping.

Mr. MURDOCK: It applies to all shipping that is covered by the Canada Shipping Act.

Sir HENRY DRAYTON: I should think the question was covered by the former answer of the Minister of Labour, that he thought the convention covered lake shipping. If that be the case, it is perfectly obvious that coastal shipping is also covered by this convention.

Mr. NEILL: No doubt the Canada Shipping Act does apply to coastwise shipping. But in that case the principal complaint of the hon. member for South Oxford will disappear because men on coastal boats—and I presume on lake boats also—are paid by the month. Therefore in the event of their ship being wrecked they would get a month's notice, and consequently their unemployment payment would not extend beyond that period, because the resolution provides:

> That if in the case of loss or foundering of any vessel the service of a seaman shall terminate before the date contemplated in the agreement.

The owner of the coastwise vessel would therefore be liable only for a month's indemnity.

Mr. SUTHERLAND: I am inclined to think, if that is the case, that even though the seamen were employed monthly they would be entitled to two months' indemnity. The Minister of Labour himself admits that inside of two days a sailor on the Great Lakes ought to be able to obtain other employment. I cannot see the wisdom of providing two months' holidays for any one who sees fit to take advantage of this legislation. If the bill goes into effect, as stated by the hon. member (Mr. McBride) it will enable men employed monthly to draw two months' salary after a wreck takes place.

Mr. MURDOCK: I suppose they will get wrecked regularly in order to get some easy money.

Mr. SUTHERLAND: I can imagine the hon. member for Brome as the advance agent for the insurance companies when he points out that the large steamship companies carry their own insurance.

Mr. McMASTER: I said only the largest, and I think I am right.

Mr. SUTHERLAND: Only the largest carry their own insurance. Well, if the large owners can carry their own insurance surely the same thing should not be denied the smaller owners.

Mr. McMASTER: The large companies have enough ships to ensure that the law of average shall apply, and they can carry their own risks, and sometimes do with safety. The small owner who owns only one or two ships cannot afford to run the risk, so he has to pay an insurance premium to cover the risk. I submit that the legislation sought is highly proper and highly desirable. Surely no one in this House wishes to deprive a sailor who is wrecked of a chance of being protected in his livelihood for a maximum

of sixty days. If some vessel owners do not insure their vessels, this is an added reason why they should. If it induces them to insure where otherwise they would not, then we are conferring a benefit, not imposing a hardship upon them.

Mr. CALDWELL: The inference seems to be that the vessel owner who is insured loses nothing if he loses his vessel. It is well known, however, that you cannot insure a building or a vessel or anything else on the basis of its full value, so that in addition to the amount paid in premiums, which has to be added to overhead, the owner is possibly out the equivalent of one-third the cost of his vessel. I cannot help agreeing with the hon. member for South Oxford (Mr. Sutherland) and the hon. member for Cariboo (Mr. McBride) that the time is too long. As I understand it, even if a man is employed by the month, if his employment ceases before the end of the month he can still claim two months' pay.

Mr. McMASTER: I think he can, if he is actually out of work. The sailor as a rule is not the most provident of men; he has not made savings; and he is doing some of the most hazardous and necessary work of the world, exposing his health and very life in the service of humanity. Surely he is entitled to get sixty days' unemployment insurance at the expense of the owner if he is out of a job for that length of time. I think we are balking over something which really ought to appeal to all of us.

Mr. McBRIDE: All I can say is that the hon. member (Mr. McMaster) does not know what he is talking about. If he was in the shipping business for some time he would think differently. I have had a good deal to do with sailors. I have been a sailor myself, and I say that the sailor often has a mighty good time when out at sea, much easier than he would have if he were working on a farm. I think the period should be cut down to thirty days.

Mr. MURDOCK: Can we not deal with this matter when the bill is taken up?

Mr. IRVINE: I have no doubt that if the hon. member (Mr. McMaster) were a ship owner he would not say what he has just said.

Mr. McMASTER: Now, why impute such unworthy motives?

Mr. IRVINE: I am agreeing with what my hon. friend has just said.

Mr. McMASTER: There is no reason to be wrong just in order to be polite.

[Mr. McMaster.]

Mr. IRVINE: I am not sure I am wrong in coming to that conclusion, because naturally in that position my hon. friend would be looking after his own personal interests. But a ship may be wrecked through the carelessness of the owner, who may not have attended to the vessel or kept it in proper condition. Further, when the sailor is wrecked he may lose all his clothing, all his belongings, in fact, and be set ashore with nothing but what he is walking in. I think that the resolution ought to pass without further discussion.

Mr. SUTHERLAND: The minister has pointed out that this legislation is not urgent. In view of the fact that we are in the month of July and that the session will in all probability run for a considerable time yet I must protest against the introduction of legislation at this time that is not urgent. Not only that, but it is another form of this nursing legislation that we are continually passing, making people do something that the government should not interfere in at all. We are continually passing restrictions and regulations, a little here and a little there as to how people shall carry on their business,—in other words, putting a premium on laziness and inefficiency and a penalty on enterprise and energy.

Mr. BANCROFT: Is the hon. member referring to protection or to this bill?

Mr. SUTHERLAND: Only the other day a measure was introduced by the Minister of Justice (Mr. Lapointe) to enable lawyers to charge about three times what they had been charging for entering notices of protest. These are some of the things that tend to bring law into contempt, in this country. The hon. member (Mr. McMaster) has referred to our passing legislation of this kind on Dominion Day. It is an unjustifiable offence that this parliament should be in session on our great national holiday, when we ought to be doing something towards the development of a national spirit in our people instead of dealing with trifling legislation of this kind for which the minister says there is not the least urgency. So far only two countries, Bulgaria and Esthonia, have passed legislation in accordance with the draft convention of the 1920 conference. That was four years ago. Yet on Dominion Day this House must sit to deal with a trifling resolutions of this kind to suit the Minister of Labour.

Resolution reported, read the second time and concurred in. Mr. Murdock thereupon moved for leave to introduce Bill No. 216,

to amend the Canada Shipping Act to give effect to certain draft conventions adopted by the International Labour Conference of the League of Nations.

Motion agreed to and bill read the first time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the bill which has just received its first reading includes, I understand, all the provisions based on the first two resolutions we have passed. Bills were introduced by error with respect to the first two resolutions, and I therefore move, seconded by Mr. Murdock:

That the first readings of Bills Nos. 214 and 215 based on the resolutions adopted in committee of the Whole this day and standing as Nos. 31 and 37 of the Orders of the Day be rescinded.

Motion agreed to.

REFUNDING LOAN $300,000,000

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to introduce a measure to provide authority for the raising, by way of loan, under the provisions of the Consolidated Revenue and Audit Act, by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rate of interest and upon such other terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required, but not to exceed in the whole the sum of three hundred million dollars, for paying maturing loans and obligations of Canada, and to provide that the principal so raised by way of loan and the interest thereon shall be a charge upon and payable out of the consolidated revenue fund.

He said: Mr. Speaker, this is the usual method when the government requires authority to take care of maturing obligations or to provide for new obligations. This is entirely to take care of maturing obligations up to and including 1927. The situation is this. On 1st November, 1924, we have $107,955,650 of the 1919 victory loan falling due. In 1922, the Minister of Finance (Mr. Fielding) introduced a bill which was passed, authorizing the raising of loans up to $350,000,000 for refunding purposes. The renewal loan of 1922 was for $114,464,150. The refunding loan of 1923 was for $200,000,000. This leaves a borrowing power from the 1922 bill still available of $35,535,850. The purpose of this bill is to provide borrowing powers in the future for maturing loans and obligations.

I will give hon. gentlemen the maturing loans and obligations for the next three years. On 1st November, 1924, there is due a victory loan of $107,955,650; and in October and November, 1924, outstanding treasury bills going back to the war date amounting to $4,680,000; $41,060,000; $19,325,000; $26,250,000.

Mr. MEIGHEN: When were those issued?

Mr. ROBB: They are treasury bills issued during the war period. They have been renewed from time to time, as my hon. friend will recall. Then, on May 1, 1925, we have a bond issue due in London of $24,333,333.33.

Mr. MEIGHEN: What is the total of the treasury bills?

Mr. ROBB: Calculating it at the moment, they amount to over $91,000,000. In 1925 there is maturing on 1st May, $24,333,333.33; on 1st July, $60,800; and on 1st December, —this is the war loan of 1915—$42,014,500. In 1926 we have maturing on 1st April, $25,000,000; on 1st November, 1927, $29,068,400; and on 1st December, $63,437,250. The total is $382,184,933.33. We are asking for authority in this resolution to take care of these maturing obligations.

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

Mr. MACLEAN (York): What official of the government keeps a record of the public debt, and what sort of ledger is it kept in? I would like to have a little information about that, having in view that the time may soon arrive when we could have a better consolidation of our public debt, and on a broader plan than has been pursued in the past.

Mr. ROBB: The Chief Accountant is Mr. Macfarlane, in the Department of Finance. That is all under the administration of the Deputy Minister of Finance. I quite agree with my hon. friend that we should look forward to the time when the interest rate may become so favourable that we might consolidate our debt obligations.

Mr. MACLEAN (York): Have you that always in view? Hitherto it seems—I know very little about it—that a rather slipshod practice has been followed. There ought to be a broad policy in dealing with the national debt. There ought to be a ledger showing the national debt and the due dates. I do not believe any member of this House ever saw that ledger; I do not know whether there is one or not; I do not know whether anybody has ever seen the diary in which these due dates are entered. Somehow I have the impression that there ought to be a better

organization for dealing with this question, and it may come up in this House this week. The time will come when there should be a reorganization of the Finance department with a responsible officer at the head, with the present branches of the department consolidated under one high official of the government, say a Comptroller of the Currency, or an officer of that kind.

Mr. SPENCE: Where does the minister intend to float this loan?

Mr. ROBB: In the best market available.

Mr. MEIGHEN: The minister should not answer the question that way. What is in his mind as to the best policy, whether to endeavour to float in Canada or out of Canada; and if out of Canada, whether in England or the United States? The main question, though, of interest for hon. members is whether the minister really contemplates a domestic loan or not.

Mr. ROBB: I propose to get the money wherever it can be procured to the best advantage of the taxpayers of Canada.

Mr. MEIGHEN: What is the minister's idea?

Mr. ROBB: We will have to look into that. There will be lots of time between now and November to study the condition of the money market.

Mr. MEIGHEN: I do not think it is a matter of the market at all; it is a matter of policy. There are different opinions as to the wisdom of floating a loan in Canada or in other countries.

Mr. ROBB: I should like to have my right hon. friend's views right now. I am looking for advice on the subject.

Mr. MEIGHEN: Your right hon. friend does not pretend to be much of a financier. His opportunities of learning from this government in that respect have not been very great; but I am sure we will be enlightened by the minister's experience in the last year. What is the minister's view on the subject?

Mr. ROBB: I have just given my views. Now I am looking for advice. I agree with my right hon. friend. There are people who come to you and say you should float this loan in Canada; and there are others who say you should get more new money into the country. I have not been able to make up my mind on the subject.

[Mr. W. F. Maclean.]

Mr. MACLEAN (York): My suggestion is that the Acting Minister of Finance should take up in a broad way the question of the public debt of Canada—that is to consolidate the debt and perhaps get money at a lower rate of interest than has been possible in the last thirty years. To-day in New York money is at a lower rate than it has been for many years, and if we approach the question in the broad way I have indicated the results may be most advantageous to Canada. If this question is discussed as it should be the minister may get valuable suggestions even from hon. members on this side; the subject is worthy of adequate discussion and the getting of full information in regard to it. It would certainly appear to be the proper time to consolidate the public debt when the rate of interest in New York is as low as it is to-day. Let us take a broad view of the question and see if we cannot save some of the money we now pay in our annual interest charges.

Mr. SPENCE: I do not see why the minister does not welcome expressions of opinion as to whether this loan should be floated in Canada or in some other country. My own opinion is that we have floated too many loans in this country; and if we now place another loan of three hundred millions in Canada it will tie up money that would serve to keep the wheels of industry rolling. There is too much money locked up as it is, and people are finding it hard to collect their accounts. If the minister insists on raising this loan in Canada there will be no money available for commercial or industrial purposes. If you go to a bank to-day you cannot get money; you are told it is all tied up in victory bonds or other war loans, and if you are now going to float another three hundred million loan you are only going to aggravate the situation.

Mr. ROBB: Oh, no.

Mr. SPENCE: That is the intention, I understand.

Mr. ROBB: That is a misunderstanding. This is to take care of bonds that are now outstanding, of loans that were floated in Canada by the government which my hon. friend supported.

Mr. SPENCE: I am opposed to such a policy. I do not see how you are going to raise such a loan and pay 5 or 5½ per cent. I understand that money is available in New York at 3 or 3½ per cent. It is much better to get the money there than to raise a loan in this country.

Mr. ROBB: I cannot raise a loan anywhere until this bill goes through.

Mr. SPENCE: The minister ought to be frank enough to give the committee some information as to what he is going to do in this matter.

Mr. ROBB: Perhaps my hon. friend was out when I made the statement a few moments ago that I am going to raise the money in the best market available.

Mr. MEIGHEN: Is the minister going to get the money in the cheapest market—that is taking into account the cost of commissions and so forth—or is he going to raise the loan irrespective of general economic considerations?

Mr. MARLER: The question raised by the right hon. leader of the opposition and the hon. member for Parkdale is a very important question indeed, one which I think is sometimes lost sight of in general policies of government. In the past we have been frequently told that the raising of money by way of a loan in Canada is the best thing to do. We have also been told on many an occasion that owning our own debt is a very excellent thing for the people of this country. I must say that I have not particularly shared that view at all. I think it is very much better, if it is possible to do so on similar terms or nearly similar terms even, to borrow the money by way of external loan and bring that money into the country. It is a question of policy. It is also a question of negotiation, but there is a very important question of policy involved in the floating of any loan by Canada—as to whether that loan should be an internal loan or whether it should be an external loan. The reason—and it is seen on all sides by those who are interested in industrial concerns, by those interested in securing money by way of mortgage and other matters of that description—is that these loans, floated in Canada as they are and as they have been to a very large extent in the past, simply make the money market in Canada exceedingly tight and, if anything, instead of depreciating really increase the rate of interest. I know very well what has happened in Montreal in connection with financial matters. By reason of victory loans and other loans floated in Montreal it is exceedingly hard at the present time on certain occasions to get mortgage money at a reasonable rate of interest and this applies to city property and to country property also. The taking of more money out of the banks and the savings of the people for the purpose of floating these internal loans means that the rate of interest for mortgage money and other investments is bound to keep up. I am glad to have had this opportunity of impressing the importance of this question upon the House. I agree with the leader of the opposition that it is a very distinct question of policy on the part of the government, as to whether these loans shall be floated internally or externally.

Mr. McMASTER: It seems to me that the Acting Minister of Finance is eminently wise in refusing to commit himself as to what policy he will follow four months hence.

Mr. MARLER: No one is asking him to commit himself if I may contradict my hon. friend.

Mr. McMASTER: I do not know that I was saying anything which traversed in any way the observations of previous speakers. I was, for what it was worth, giving my feeble support to the cautious, I might almost say the Scottish attitude taken by the Acting Minister of Finance. It is a question of policy, it is a question of the rate of interest. I conceive it to be quite possible for the minister to imagine that he would follow one line of policy and then, after a very considerable lowering of an interest rate in one of the great money markets of the world, consider himself justified in making a change and placing his loan somewhere else. It does seem to me that it would be unwise for the minister to declare here and now: I am going to try and raise this money in London, or I am going to try and raise this money in New York, or I am going to try and raise it by domestic loan. It is a policy which has to be determined upon by the actual conditions of the money market here and elsewhere, as well as other business considerations at the time the advance has to be actually obtained.

Mr. MARLER: Quite true.

Mr. MEIGHEN: No doubt that is very wise but it does not preclude the minister from giving his own views just as has been done by the hon. member for St. Lawrence and St. George (Mr. Marler). That is all anybody has been trying to get him to do. I repeat that while I have not had much experience as a financier the minister is having quite a lot, and if this government keeps up its present rate of expenditure we shall have a lot more in the borrowing of money.

Mr. ROBB: So far we are only taking care of the debt that was incurred by my right hon. friend and his colleagues.

Mr. MEIGHEN: Has the minister considered taking care of it by guaranteeing the bonds of the National Railways? In that way he would not add to the national debt at all. It is true it is a debt incurred in our time but it was handled and financed properly. Under similar conditions I would strongly advise the minister to adopt our method, to adopt the method of domestic loan. At that time there was sufficient money for all legitimate purposes in Canada. There was courage and confidence, and business was buoyant and expanding. Conditions to-day are entirely different. It is difficult to get money for industrial enterprises in this Dominion, and under such circumstances it seems the minister should give great weight to the consideration advanced by the hon. member for St. Lawrence-St. George. To further drain the supply of capital in Canada would, in my opinion, be doubtful wisdom. Of course conditions may improve in the next six months, but conditions at present are not at all exhilerating. I think when the minister has to face similar conditions at a future time he would be wise in my judgment to be guided by these considerations, as well as the probable fact that the money rate will be lower in other countries than it is here. It is to-day considerably lower there than it has been in the past. Advantage should be taken of it to refund all early maturing loans, but the minister cannot refund a loan until it is due. I ask that these considerations be given such weight as the minister thinks they merit, and that he shall not merely be guided by the rate of interest here or the rate there, or the cost of getting the loan Times are very different to-day from what they were when earlier loans were incurred.

Mr. GOOD: The discussion which has taken place so far on the item seems to take for granted that there is a more or less fixed amount of money in existence either here or in the United States or in the world. I question whether that can be assumed; and if it is not true the discussion on both sides, on the side of those who favour getting money in the United States and on the side of those who favour getting money here is certainly, to say the least, not very illuminating. I noticed in the Ottawa Journal a few days ago a leading editorial headed, "Where better borrow", and the argument was much the same as that presented to-day. If, it says, we take three hundred million dollars out of the supply of Canadian money by floating bonds and so on, we shall have three hundred million dollars less in Canada for other purposes. If we go to the United States and get the money there we will not take it out of the Canadian supply. I want to submit to hon. members that the assumption which has been made and which underlies the argument on both sides is decidedly questionable. It is only true of such money as costs effort to produce. The argument did apply and could apply to gold, which is supposed to be the basis of most currency at the present time, but in regard to all other kinds of money which indeed constitutes the largest part of the money supply of to-day, it does not apply. To some extent it applies to paper money which is limited in its volume by the metal basis, but it certainly does not apply to the largest volume of money which does the business to-day; that is bank credit.

Mr. MEIGHEN: Does the hon. member argue that we have in Canada an unlimited amount of money?

Mr. GOOD: Yes; but that statement might be misunderstood. I am afraid it would take a long time to explain the matter fully, but I would suggest to my right hon. friend that if he analyzes the money which is in existence to-day, and which is doing the business of Canada he will find that it consists of three different parts, first gold—the gold basis, if you like—perhaps we had better restrict it to our gold basis, our standard. In addition and secondly we have token money, which consists of copper, nickel and silver coins, and paper money, both Dominion and bank notes. Thirdly we have what constitutes about ninety-five per cent of the money in use, namely bank credits.

Now in regard to the money which costs something to produce, the law of supply and demand applies, and the ordinary argument as to interest rates going up where the supply is limited and going down where the supply is abundant is quite in order. But in regard to deposits subject to cheque, as my right hon. friend will find if he reads the books on the subject, the argument of supply and demand scarcely applies at all, and it seems to me that that is the point of view that has been and is being entirely lost sight of in the ordinary discussions on this subject. In regard to the money supply in Canada, I might point out to my right hon. friend and other memmers of the committee that as between the year 1917 and the year 1920 in Canada we brought into existence wholly without effort and without cost, so far as the production of money was concerned, about one billion dollars.

5 p.m.

Mr. McMASTER: That is one of the reasons why prices went up.

Mr. GOOD: Yes. It was one of the reasons why prices went up. I do not wish to go into the matter exhaustively. I only rise to point to the moral and to suggest the propriety of looking a little deeper into the question than we have done to-day.

There is of course this further consideration that has to be kept in mind: That there is a danger in the creation of that part of money which is known as bank credits. That process was engaged in during the war years and after the war with very distinct disadvantages and disaster to this country and to other countries. It ought to be very apparent to us, if we look into it, that there is no effort or cost attaching to the increase of that kind of money, and it is purely a question of whether or not it is wise policy to deliberately write so much more money into our national money volume. It can be done without effort, has been done by our banks time and again, and is being done constantly. The banks are doing it constantly in conjunction with their customers, they are increasing or decreasing the amount of money in the country, and that has definite consequences on the price level. I would like the House to consider whether or not in these particular circumstances and under existing conditions it might not be wise to adopt an entirely different method from any that has been adopted up to the present in the funding of this debt, or in the floating of this three hundred million dollar loan. I do not know that this is the time or place to go into it in detail, but I am absolutely satisfied that there is a point of view that has so far escaped hon. members in this discussion. I think that is worth considering very seriously, and I wish to urge its very earnest and very serious consideration by hon. members of this House. I do not propose at the moment to say anything further than to emphasize the need of looking at this particular aspect of the case.

Mr. MACLEAN (York): I would like to make a suggestion along the line of the statement of the hon. member who has just spoken (Mr. Good). I would suggest that we have a committee of the House to deal with matters of this kind. I believe the time has come in the history of Canada when we ought to have a standing committee of this House to deal with the public debt that has been contracted, and to consider how it can best be discharged. It is pre-eminently a question of responsibility which attaches to the government and the Department of Finance to take care of the public debt and choose their own time to either pay it off or incur new obligations. I agree with what the hon. member has stated, and it has been hinted more or less that there should be a study by this House of our commitments which are existant, when they are coming due and how they might be consolidated. We have not had that in the past. It is a matter for parliament to study, but we have not come to it yet. Our obligations are getting very large, and the question of interest is one of very great concern. If we had a standing committee of the House to deal with the national debt and to investigate the situation at every session, out of the consideration of those questions by that committee there might come some suggestions which might be worthy of the attention of the Minister of Finance.

Mr. MacLEAN (Prince): Is it a fact that Great Britain and the United States have consolidated their national debts under some co-ordinated system whereby they have a very low rate of interest? And is it not true that at the close of the war Canada could have done the same thing?

Mr. MACLEAN (York): I am not prepared to answer that question at the moment.

Mr. SPENCE: It does not matter just how much the amount may be, but there is no doubt in my opinion that we are oversubscribed. I am interested in several little industries and I know that to-day people are sacrificing industrial bonds since they have learned that a loan is to be floated by the Dominion government. It is a fact that at the present time people are peddling industrial bonds which were considered good security some time ago; they are anxious to trade these bonds for vacant lots and every other form of tangible property that they can get hold of. That looks decidedly bad for the country, and I am afraid that if the government affords the people an opportunity of tying up much more money by offering a decent rate of interest, there will be no investments in industry at all. The money market should be left to the municipalities; but the municipal field will not be free so long as Dominion government loans are floated, because everybody will buy Dominion bonds first, and afterwards provincial and municipal bonds in that order. I have here a statement showing that Edmonton 4½ per cent bonds are selling at 93.60, to mature in 1929; they have sold even as low as 90. Toronto bonds have been selling at 98.38, and Toronto Harbour bonds at 90.90. The government must realize how badly industry in this country needs money at this time, and if further funds are to be tied up in govern-

ment bonds it will simply mean the decline of industrial activities. Dominion government loans simply encourage the people to tie up their money instead of taking a chance with others in the business world, and this can only be detrimental to the interests of the country at large.

Mr. SPENCER: We have heard a good deal about these future loans if issued in Canada tying up money. The minister might tell us how much money is locked up in government bonds, and whether in his opinion these bonds are not excellent security for the banks. It is entirely with the banks themselves if they tie up money, because having gilt-edged security there is no reason why money should be tied up simply as the result of the floating of bonds. I want to refer to certain securities that have come to our notice in the Banking and Commerce committee. When the bankers want money they submit certain securities to the Treasury Board, amongst which are Dominion bonds and treasury bills. Against such securities the Dominion government advances to the banks Dominion notes at 5 per cent. When the government wants money for a short time it goes to the banks and gives treasury bills as security, and I understand that the government owes to the banks to-day upwards of $90,000,000 for which it is paying 5¼ per cent or ¼ of 1 per cent more than the banks pay for the money they get from the government. It is interesting to note that these same treasury bills which the government gives to the banks for a loan can, when the banks want money, be brought back to the Treasury Board and be pledged in return for Dominion notes at 5 per cent. In other words, we may call this looping the loop in finance. I might refer the committee to a lecture given by such an orthodox economist as Dr. Adam Shortt as far back as 1919 to the students of a college in Manitoba. On that occasion Dr. Shortt stated, what was admitted last year by bankers of eminence who appeared before the Banking committee, that whenever a loan was made from a bank it created a deposit of the same amount. It was simply a matter of the security being good enough whether the bank would lose or not. He said that in regard to government loans the same thing took place; the loan to the government by the bank creates a deposit of exactly the same amount, against which are drawn various cheques by the government to meet payments. Naturally the cheques are paid back to the bank and therefore, according to the professor, a government loan from a bank of even five, fifteen or twenty million dollars means not the slightest strain on the entire circle of banks and very little strain on the individual bank.

This is only following up the statement of my hon. friend (Mr. Good), who referred to so much money—95 per cent I believe—being created in this country entirely by book entries. A loan to the government by a bank is created on the assets of the country; it is a gilt-edged security and it is impossible for the bank to lose, the government having the power through taxation to pay back the loan. At the same time, for the book-keeping that is done—because that is all it is, no appreciable currency passing—we pay at the present time 5¼ per cent, or ¼ of 1 per cent more than we charge the banks for the money we give them.

Mr. GOOD: When I spoke first I felt under obligation to make my remarks very brief indeed, and perhaps I did not make myself quite plain. Let me add a word or two to clear up what may be somewhat obscure in the minds of some hon. gentlemen. The function of our banks to-day is to give currency to the credit of the individual or the corporation. It makes current not only the visible wealth of the country, but as well the invisible wealth in the form of human character and potential wealth as the bankers see it in the future. Banks and bankers may give currency to a larger or a smaller amount of that actual or potential wealth and in that way may increase or decrease the amount of money in the country. They may also in doing so indirectly either increase or decrease production, and that too is a very important aspect of the question. Supposing this government goes over to the United States and secures a loan there of $300,000,000. That may absorb a certain amount of the money already in the United States; if so, it absorbs a certain amount of purchasing power already in existence, and has no tendency to increase the price level. On the other hand it may simply be a book entry in the books of Morgan and Company or of some other large financial house that undertakes to float the loan, and increase by that amount the total money volume in the country. Usually such flotations do both to a certain extent. They absorb a percentage of the purchasing power already in existence and also to a certain extent result in the issuing of fresh purchasing power or fresh money. If we are going to pay J. P. Morgan and Company 5 per cent for the money, which they create by merely writing it in their ledgers, I say it is a mighty big price, and we ought to know just how far that is taking place.

If we look back over the last few years we see our banks, as I have said before,

issuing nearly a billion dollars of new money. It costs them nothing but their book-keeping expenses. They expected to collect 6, 7 and 8 per cent on that new money. They relied upon the ability, actual or potential, of the people of Canada, their customers, to pay that interest. The results are quite apparent, the process having been very damaging, but we seem not to be able to avoid it. However, Mr. Chairman, I do not want to labour the point just now. What I want to impress upon the Acting Minister of Finance and the House is that this is an aspect of the question which seems to be almost totally lost sight of. A number of economists emphasize it, Irving Fisher and others, whose books I have quoted on several occasions when addressing the House.

Mr. McMASTER: Does Reginald McKenna belong to that school?

Mr. GOOD: I shall quote Mr. McKenna on the subject when the occasion arises, but I do not think it is necessary to do so at the present time. He is absolutely in agreement with what I say in regard to the underlying principles. A perusal of the editorial in the Journal shows the popular and fallacious point of view, that we have a certain amount of money, just as we have a certain amount of wheat, and that if we buy so much of this money there is so much less left; which may or may not be true. That is something which we have to keep in mind. I am not here today to make any definite suggestion to the Acting Minister of Finance about floating this particular loan, but I think that between now and the time when he will float it he would be well advised to get in touch with somebody outside his department who knows more about the subject than his deputy does.

Mr. MANION: I must confess that I do not quite understand the reasoning of some of my hon. friends. It certainly would appear to the ordinary man who does not pretend to be an economist at all that if the small investor puts $1,000 in a victory bond or some other loan which the Minister of Finance puts out, he cannot very well invest that money in anything else: It is true that if a big business man buys $50,000 worth of bonds he can and does use those bonds as collateral to borrow more money at the bank. But in view of the fact that to all government loans there are some hundreds of thousands of subscribers, most of whom are small investors, men, women and even children who invest $100, $200, $500 or $1,000, it is apparent that to that extent they tie up their capital, and therefore once the savings of the country are invested in government bonds they cannot very well be available for investment in industrial securities, which is the point that my right hon. leader (Mr. Meighen) and the hon. member for St. Lawrence-St. George (Mr. Marler) were referring to. Undoubtedly it would not appear that one need be a specially bright economist to realize that that is the actual fact, and that therefore there is a corresponding restriction of capital available for industrial and other enterprises which the country should develop.

Mr. GOOD: My hon. friend is quite right in so far as that particular class of purchasing power is concerned.

Mr. MANION: And that is the large class.

Mr. GOOD: It may or may not be. My hon. friend is quite right in saying that the savings of any individual or group of individuals tied up in that way is so much purchasing power tied up, and therefore it cannot go out into the market as purchasing power for other purposes. But I would again draw to his attention the fact that that is only part of the process,—if that word may be used,—by which such bonds are floated. I may also call to his attention this further fact, which was very obvious some years ago, that after these bonds are purchased by the individual saver or investor they are used as a basis for the extension of bank credit; in other words, they are used as collateral for bank loans, and to an unknown extent.

Mr. MANION: They are by the big business man, but not by the small bondholder or stockholder, who has his small savings tied up in government bonds. A very large proportion of such small investors do not know how to use their holdings as collateral.

Mr. GOOD: About $1,700,000,000 worth of bonds are already outstanding in the hands of Canadians. How much is left in the hands of the small savers?

Mr. MANION: I think I am correct in saying that some hundreds of thousands of small savers hold government bonds.

Mr. GOOD: Two years ago I tried to get some definite information on this point from the Finance department but found it impossible to make even a guess yet it is asserted on all hands that during the last three years a tremendous number of our small investors, our average citizens, have had their bonds squeezed out of them, so to speak, under the stress of economic conditions; and since those bonds are not purchased by outsiders, the inference is that the large financial houses

and rich people generally of the Dominion have secured the bonds under pressure from our poorer citizens. I do not know how much they have secured. I wish I did.

Mr. CAMPBELL: Mr. Chairman, I admit that this whole financial question is largely an enigma. I should like the Acting Minister of Finance to satisfy me on this one point: Our banks to-day are permitted to obtain Dominion notes against the security of government bonds. What difference would there be between this policy and the government putting its bonds in the treasury and issuing its own notes against them?

Mr. ROBB: That would not be very sound banking.

Mr. CAMPBELL: Why not? If it is sound for the government to do that for the banks, surely it is sound for the government to do it for itself.

Mr. HUGHES: Why not issue the money?

Mr. CAMPBELL: Certainly, but I mentioned bonds in order to complete the analogy.

Mr. HUGHES: That would be fiat money.

Mr. GARLAND (Bow River): Not at all.

Mr. MARCIL (Bonaventure): How much of the $300,000,000 worth of bonds referred to is held in Canada and how much is held outside?

Mr. ROBB: I could not tell my hon. friend exactly, but I imagine that the greater part of these bonds are held in Canada.

Mr. MARCIL (Bonaventure): Previous to the war it was the custom in Canada as far back as I can remember to float all our large loans on the London market. Temporary domestic loans were negotiated by the banks. I have heard many speeches in this House in favour of the idea of placing Canadian government issues on the Canadian market, so the Canadian people would have an opportunity of investing some of their money in such loans. This was resorted to when the war came on. The bonds were placed on the market; they were taken up patriotically and at the same time proved to be a very wise investment. I know of some insurance companies who took out large blocks of these bonds running into several millions of dollars. This method of financing answered the purpose at the time, but there is no doubt that a great deal of the money of Canada is at present tied up in these loans, and what may be a good thing sometimes may not always be good if it is overdone. I think the minister is unable at this time to decide upon a definite policy, but he certainly should look at both sides of the question. Canadians should be given an opportunity of investing their money to a limited extent, but the interests of Canada surely require that foreign capital should be brought into the country. I know of no more fitting occasion to refer to the financial state of Canada than on this Dominion Day, the fifty-seventh anniversary of confederation. Glancing at the paper to-day I noticed that the net debt of Canada has risen in fifty-seven years from $70,000,000 to $2,400,000,000. It is true that the population has increased from over 3,000,000 to about 9,000,000. The newspapers are filled with the ideas of financial experts in London and elsewhere based on the suggestion that Europe can only recover its normal position when it gets back to the gold standard. Canada is practically there to-day. The Canadian dollar is slightly under 100 in the United States; therefore our financial condition should be studied very carefully in this connection.

The suggestion has been thrown out that this is perhaps an opportunity for the Acting Minister of Finance to see that we begin the funding of our debt, because the greatest problem we have to face is the enormous weight of debt now resting on the Canadian people. I have full confidence in the administration and in the Acting Minister of Finance that he will give this matter all the consideration it deserves and, if necessary, call in outside financial experts. That was done in the case of France and Germany, where valuable assistance was gained by calling in Mr. Dawes, an American. The Acting Minister of Finance would be well advised to see that before this question is finally dealt with a complete review is made of the financial circumstances of Canada with a view to seeing that while Canadians are given an opportunity to invest some of their money in the public debt of Canada, we shall not lose the opportunity which is offered of funding our debt and also of introducing foreign capital into the country.

Mr. GARLAND (Bow River): Will the minister reply more informatively to hon. members in this corner of the House in connection with the question put by the hon. member (Mr. Campbell)? Perhaps I had better repeat it. He has asked the minister why Canada would not be in a better position if she were to finance her own fundings—we will call it that—through the issuance of Dominion bonds to its own treasury and the issue thereon of the necessary credits. The minister replied that it would be poor financing.

Mr. ROBB: Poor banking.

Mr. GARLAND (Bow River): Poor banking? All right; I am glad the minister differentiates between poor financing and poor banking. I think there is something in that. I would like the minister to tell us in what way it would be poor banking.

Mr. ROBB: I do not want to be discourteous to my hon. friends, but that is a subject altogether foreign to the issue now before us. I do not propose at this stage to enter upon a discussion of the different theories of the values of money.

Mr. GARLAND (Bow River): If that is the only answer the minister has, or the only one he is willing to give, I shall have to accept it, but it is not an explanation of an exceedingly interesting and most important aspect of the financing of Dominion requirements. When a Dominion bond issue is made, say, of $100,000,000, as was done two years ago, it is sent to a bond house in the United States—in that case, the J. Pierpont Morgan firm—and they underwrite it consenting to float the issue. They hand back to Canada a credit of $97,500,000; the $2,500,000 they put in their pockets for commission and for expenses in connection with the flotation. The bonds are then sold; they are extensively taken up by large financial houses, insurance companies and banks, and no doubt, as the hon. member (Mr. Manion) would say, by some private investors also. Inevitably, under our present economic system, which is becoming increasingly severe in its pressure on the large lower strata of society, these bonds drift back into the hands of the financial interests and rich investors. I venture to say that if the figures could be accurately surveyed it would be found that 70 or 80 per cent of the bond issues of Canada are in the hands of the larger interests, not in the hands of the common people. What have we given these bond houses? What have we given to these insurance companies that hold the bonds? We have given them an asset backed by the credit of the whole of Canada, a prime asset. And what have we accepted in exchange? A book credit, or perhaps notes—bank notes, promises to pay on the part of the banks. A bank is only part of the assets of the whole country; an insurance company is only part of the assets of the whole country. It is only an asset to the extent that it performs a service. The Dominion then has accepted an inferior asset in exchange for a prime asset, and has paid for the privilege of doing it. That is a simple statement of a theory that appeals to my imagination and to my sense of logic. The minister answers rather indefinitely; in fact he does not answer at all. What is wrong with a system of financing that would remove this evil? Could we not save tremendously in interest charges? Surely there is sufficient sanity in our government, in our men of business, to prevent any unwise inflation. We have learned the lesson. Would the minister explain this business from his own point of view? He simply disposes of the whole thing as bad banking and lets it go at that; now, I am not content to take that answer.

Mr. MARLER: My hon. friend has left out a very important step in his argument. He spoke of the Dominion going to the J. P. Morgan Company or some other banking firm and receiving a certain amount of money. He forgets that there are other obligations outstanding and maturing and that part of the money so obtained is used to retire those obligations. The money brought here is not kept in banks; the obligations outstanding are called in and paid with that money. If the hon. member intended to explain that, he did not explain it clearly.

Mr. GARLAND (Bow River): That is simply the retirement of bonds now due.

Mr. MARLER: By other creditors, not by the same creditor. There is no confusion of the same debt at all, as my hon. friend suggests. There is another debit which has to be dealt with.

Mr. GARLAND (Bow River): Well, the suggestion is made that there should be an attempt on the part of this government to consolidate the whole national debt and fund it. Imagine that situation,—the Dominion funding its own debt. Would that not remove some of the difficulty? What argument is there against that?

Mr. MARLER: It would not remove it at all.

Mr. GARLAND (Bow River): I cannot see the hon. member's viewpoint. If he will deal with the point I have made and argue against it, I shall be only too pleased to listen to him.

Mr. MARLER: I simply raised the point that the hon. member had not made it clear that there were other creditors outstanding who have to be satisfied. There are creditors outstanding at present who have $300,000,000 of the Dominion's obligations in their hands, and the money has to be procured to meet the demands of those creditors. Now those creditors are not the same people that the money is to be procured from at all, but a totally different set of creditors.

Mr. GOOD: Not necessarily.

Mr. MARLER: Not necessarily, but they are in this case. My hon. friend is pre-supposing an ideal case, and in the matter of debits and credits you very seldom get such a case. The minister is taking authority to borrow from someone else to pay an entirely different set of creditors; in other words, the fund procured from this new credit is to pay off an old credit. I cannot follow the argument of my hon. friend from Bow River at all.

Mr. McMASTER: It seems to me, Mr. Chairman, we are quite beside the point, but the discussion is so interesting I beg the indulgence of the House just for a moment in order to make some observations concerning it. What the hon. member for Bow River asks the Finance Minister of this country is this: You have a country here with enormous potentialities and enormous wealth; why not pay off the debt falling due by issuing directly to the people of Canada your own promissory notes, instead of giving them to some broker and getting the money from him? That is really the question which has been propounded.

Mr. GARLAND (Bow River): I would like the hon. member for Brome to keep in view this one particular point: The only suggestion I made that would change the present system is that we eliminate the bond house as such.

Mr. McMASTER: Exactly, that instead of giving the bond house the promissory notes of this Dominion—for that is all our bonds are, our promises to pay—and getting the bond houses to purchase our promises to pay and then disposing of them and making a profit out of the transaction; why should we not go to the people of Canada directly with our own promises to pay? His question is whether we could not take our own promises to pay and pay off all our domestic creditors—one debt which is due by us to them—by contracting with them a further debt, due by us to them at a more distant date of maturity. That is the question, and I may say that when you ask that question you delve into the most difficult and abstruse questions of banking. I do not think it is a subject matter for risibility. I consider it a matter of extreme difficulty. I know that a man like Reginald McKenna takes one view, and a man as sound in economics and as statesmanlike as Asquith takes another view. I am inclined to the view of Mr. McKenna, but I do not hold myself out as an economist, though I have, I believe, devoted some little time and attention to the study of this matter. The minister is proceeding by the orthodox method and it seems to me we have got to do a little more investigating and come to much more definite conclusions before we can depart from the orthodox method. I think the minister has this to say in his own defence, that from the time of the French Revolution onward, where governments have attempted to issue money solely on the credit of their own country, down to the present day, disaster has always followed that course. Take the French assignats; they were backed by the whole wealth of the French people; France was not a republic, but a kingdom, when the assignats were issued in the first place. The trouble is, once governments have attempted to issue currency based merely on the solvency and credit of their country, rarely have they been able to resist the temptation of issuing more currency and more credit than was required.

Mr. GARLAND (Bow River): There has been no suggestion made here that the currency of the country should be based upon that asset only. This is simply a consolidation and funding of the national indebtedness.

Mr. McMASTER: It seems to me that exactly the same principle applies. What is proposed is that instead of going through this roundabout method, and I frankly admit it seems open to serious objections, and that we are paying very heavily for the financial assistance which bankers give us—nevertheless, the experience of humanity has been that where governments have attempted to create great credit, let us say, which will pass either in the form of currency or in the form of bonds, merely on their own credit, they have been unable to resist the temptation of issuing more currency or more credit than was required, and as a consequence we have had inflation and all the evils which inflation brings in its train. We have only to look at Russia to begin with, and at Austria—

Mr. CRERAR: And Germany.

Mr. McMASTER: I think I am following the method in its chronological order. I think Russia started the wholesale printing of fiat money.

Mr. SPENCER: Would the hon. member consider it greater inflation to float a loan of say $50,000,000 and pay $1,000,000 commission

and 5 per cent interest on it, than to issue that loan direct as suggested by the hon. member for Bow River? Which would be the greater inflation?

Mr. McMASTER: I do not think there would be any real difference in inflation at all; it would be six of one and half a dozen of the other, except in so far as the first method might, what I might call, marshal the savings of the people. If by the issue of a government loan you merely marshal the savings of the people and apply them to a certain purpose, removing them from other purposes, then I think you avoid the pitfalls of inflation. Whatever the theoretical soundness of the view urged by hon. members opposite may be, the history of mankind shows that so far governments have been unable, when they took those steps, to resist the pitfalls which lay before them. We have the example of Russia, of Austria, Germany, aye, and of France, and for a time during the war, of Great Britain and the United States, showing us the evils of inflation. Once a government undertakes to create large amounts of credit you get inflation, and one of the brakes —it should not be necessary perhaps to have this brake—on the creation of credit under our present system is that the state has to pay for this credit by paying to these organizations which manage credit now very handsome profits for whatever assistance they give to the state.

It seems to me that is the defence of the minister. I think we cannot very well depart from the traditional orthodox method at the present time without a great deal of further study. I am far from saying that our present method is perfect. I believe, though, that the people in this country who have devoted attention to this financial question, who have been directing their minds to the study of the very bases of credit, which in certain instances were quite unknown to the bankers themselves, have been conferring a very great benefit on this country; but it seems to me that the study has to be pursued a little further, and more definite conclusions arrived at before we can depart from the traditional methods of financing.

Mr. SPENCER: Does my hon. friend contend that the only way to stop governments from inflating their credit is by having them pay an interest charge?

Mr. McMASTER: I do not say that is the only way but I say that from the time of the French Revolution downward the governments which have attempted to create credit without doing something of that sort have dropped into the pitfall of inflation. I think that is true; I do not think it can be gainsaid.

Mr. CHAPLIN: The position taken by some hon. members from the West is, that in respect of this sum of $300,000,000 that is falling due we should issue government notes for the payment of it, thereby avoiding commissions and interest charges. If that is a fair proposition and if it can be carried out why do we not pay our entire debt by that method?

An hon. MEMBER: Hear, hear.

Mr. CHAPLIN: Somebody says "hear, hear", indicating that is his view. In reply I say that if we did that we would depreciate our currency and be in just the position that Russia, Germany and Austria are. As the hon. member who has just spoken has said, that is what would happen.

Mr. COOTE: I hesitate to voice my opinions in regard to this matter, but a good deal has been said about the wisdom of floating this loan in Canada, in the United States or in Great Britain; and several hon. members have argued, I think, that the loan should be floated outside of the Dominion so as to make more money available in Canada for the purchase of industrial securities and of goods, and thus to speed up or improve business conditions in this country. We seem to have departed from the old traditional idea of encouraging thrift among the masses. We do not wish them to hold these bonds; we would like them to spend their money either in the purchase of goods or in the purchase of more questionable securities.

I want to refer particularly to a statement which was made by the hon. member for Parkdale (Mr. Spence) in regard to bringing outside money into Canada. I am not going to give my own opinion on that policy because it might not carry much weight, but I should like to quote briefly from a speech delivered by the Right Hon. Reginald McKenna, chairman of the Midland Bank, Limited. This speech was reported in the Toronto Saturday Night some time ago, and I would be glad if hon. members who attach weight to the opinion of Mr. McKenna would secure the article and read it. It might enable them to form some new ideas in regard to the volume of money which is available in any country for the carrying on of business. I am only going to quote very briefly from the article because I do not wish to take up an undue amount of time, more especially in view of

the extended discussion which has already taken place. Mr. McKenna says in part:

Under the system which prevails in our country there is only one method by which we can add to or diminish the aggregate amount of our money. Gold coin is no longer minted, and additional paper currency is not issued except to meet the demands of the public. When the people require more currency they draw it from the banks and deposits are reduced as currency in circulation is increased. The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one.

Now I want to come to that part of his address which deals with the question of money flowing from one country to another:

People often talk of money going ahead, or of foreign money coming here, but, as a fact, when gold is not in use money is incapable of migration. The title to money may change. An individual may sell his sterling to an American for dollars, but the American will then own the sterling in England and the Englishman the dollars in the United States. If there is pressure to sell sterling, the exchange value of the pound will be lowered, and, temporarily, the burden of British payments in America will be increased. But the change of ownership does not remove the money, which necessarily remains, and can only be expended where it was created. No exchange transaction, no purchase or sale of securities, no import of foreign goods or export of our own can take money out of the country or bring it here. Those who wish to be meticulous may say that British travellers sometimes carry currency notes and change them in foreign countries, but the total of such transactions is too trifling to be taken into account. Bank loans and their repayment, bank purchases and sales, are in substance the sole causes of variation in the amount of our money.

Now, I am going to leave that part of the speech and quote something which possibly has a very direct bearing on the issuance of this government loan:

Suppose the Bank of England invests a million in war loans the seller receives a draft for £1,000,000 and pays it into his own bank which will consequently increase its balance with the Bank of England by that amount. Actually a million of bank cash will have been created which will become the basis of new bank loans. The repayment of a Bank of England loan or sale of securities by that bank has the opposite effect. It cancels so much bank cash and forces the banks, unless they abandon their established ratio of cash to deposits, to call in loans or sell investments. The Bank of England may make loans or enforce repayment by modifying or increasing the severity of its terms. It may buy or sell gold; it may buy securities or sell securities. Every transaction of this kind leads to a variation in the amount of money in the country, and by this means exercises a powerful influence on trade.

I am not going to weary the committee by reading any further from this address. As I said before it is instructive, and I think it would be a splendid thing if members of the committee would read that address by Mr. McKenna.

[Mr. Coote.]

So far as conditions in Canada are concerned the question as to whether there is money available in this country or not, is primarily one of credits issued by the bank. A year ago when we had some of the most eminent bankers in the Dominion before the Banking and Commerce committee they assured us there was an abundance of money in the banks to take care of business requirements in this country, provided business could furnish the proper security. The same condition undoubtedly exists to-day. I believe that our bank borrowings from the government under the Finance Act are less at this time than they have been for several years. The Acting Minister of Finance, if he would, could enlighten us on that point. At any rate I am satisfied the bank borrowings are at a very low point, and I am quite sure that the Finance department is quite willing to advance money under the Finance Act to our banks if proper securities are given. I know that the vaults of our banks are loaded down with these securities. The reason that business men complain of the tightness of money now is simply because the banks do not consider this is a good time to loan money. The banks can easily make available millions of dollars in the form of bank credits to our business men any day if they think these credits should be given to them. We are arguing altogether beside the point when we say that if this loan is floated in Canada rather than in the United States it is going to tie up money so that it will not be available for the carrying on of business in Canada. If the conditions are right so that the bankers of this country are assured that the securities they are offered are good, they will furnish all the money required, there is absolutely no doubt about that. But it is primarily a question as we are situated in this country to-day, for the bankers to decide whether the time is ripe for them to advance credit. We may be getting slightly away from the point, just now. I would like to ask the Acting Minister of Finance (Mr. Robb) a question in regard to the rate of interest on the different loans which are maturing—why he is asking authority from the House on this occasion to take care of obligations, some of which, if I understood him aright, will not mature until 1926 and 1927.

Mr. ROBB: We are following the usual procedure in anticipating the requirements of the country. I have not the rate of interest before me, but I imagine most of the obligations are on the 5½ per cent basis excepting the treasury bills, which are issued at 5¼ per cent.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

UNITED CHURCH OF CANADA

Mr. ROBERT FORKE (Brandon) moved the third reading of Bill No. 47, to incorporate the United Church of Canada.

Mr. WILLIAM DUFF (Lunenburg): I move:

> That the said bill be not now read a third time but that it be referred back to the committee of the whole House for the purpose of amending the said bill by substituting the words "United Church in Canada" for the words "United Church of Canada" wherever the said words appear in the said bill.

I think it is wise for the House to amend the bill in this way. I have received a great many letters from people in different parts of Canada, members of various denominational bodies, objecting to the words as they appear in the bill as it stands. It is contended that the words "United Church of Canada" are too broad in their significance and that such a title savours a good deal of a national church. It is well known that in Great Britain the Episcopal church is known as the Church of England and the Presbyterian church as the Church of Scotland; and we know that in Canada the Church of England is known as the Church of England in Canada. There would seem to be good reason therefore for amending the bill in the way I have suggested. It may of course be argued that this matter should have come up when the bill was before the Private Bills committee. It is true that the proposed amendment might have been offered there, but I presume that the hon. member who introduced the bill overlooked the matter for the same reason as did other hon. gentlemen in the Private Bills committee. It would make no difference to the hon. member for Brandon (Mr. Forke), and it would not in my opinion alter the effect of the bill, if the change I have proposed were adopted, so that the new church should be known as The United Church in Canada rather than The United Church of Canada. There is another argument that may be advanced against the change, and that is that five legislatures in Canada have already passed legislation embodying the term "The United Church of Canada". But there are four legislatures that have not passed on this bill, and consequently it would be very easy, in those legislatures at any rate, to have these substituted words take the place of the term at present in the bills which are and have been before the respective provincial legislative bodies. As regards the five legislatures which have already passed on the bill, it would be a simple matter when they met next year to have the various attorneys general of the provinces make the necessary alteration. It seems to me that this amendment is in the best interests of the country; it does not interfere with the principle of the bill and the hon. member who introduced the bill should I think accept it and allow the bill to go back to committee to have the change made.

Mr. J. L. BROWN (Lisgar): We must take exception to the amendment. It is true that on one phase of the question there may not be much difference between the two prepositions, "of" and "in", and either name would probably be perfectly acceptable were we now at the beginning of the discussion. But as the mover of the amendment (Mr. Duff) has pointed out, a bill to incorporate "The United Church of Canada" has been already adopted by certain provincial legislatures, and were we not to adopt a similar name now the difference would undoubtedly lead to inextricable confusion and possibly legal difficulties might arise the extent of which might not be foreseen at the present time. We would therefore respectfully urge the House to vote down the amendment and to ratify the name as agreed upon.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, it seems unfortunate that this bill comes before parliament after having previously been before five of our provincial legislatures, because when we seek to amend the bill in any way we are met with the answer at the hands of the promoters: "We cannot change it now; it is too late. If the bill had originally been introduced here we might have done this, that or the other thing, but as it first went to the provincial legislatures, and as a number of them have pronounced upon it, therefore our mouths must be closed, our hands must be tied." That is the only answer made on this occasion to the motion of my hon. friend from Lunenburg (Mr. Duff). So it was when we proposed that the vote to be taken in the various churches should be taken by ballot The only objection of substance offered was that as five legislatures had already passed upon this or that clause, therefore this parliament must not interfere. Surely it is a strange situation that the federal parliament's power must be circumscribed in respect to an important measure simply because some of our provincial legislatures have seen fit to take action before the bill was introduced into this parliament at all. I for one dissent most emphatically from

that position. The legislature of Ontario has not yet passed on this measure. I think that province represents probably wellnigh a third of the population of the Dominion. The legislature of the province of Quebec has not yet passed on this measure. The province of Quebec represents, I think, about a quarter of the population of the Dominion. But by reason of the fact that five of the less populous provinces have, through their legislatures, seen fit to pass a bill to which a number of the members of this House do not agree, that is urged now as an answer why we cannot change the terms of this bill.

To my mind the situation is ridiculous. This parliament should be free to act as it sees fit. If it is proper to change the title, let us change it; if it is proper to introduce any other clauses, let us do so before it is too late. I especially desire to point out that in the two most populous provinces, where I think more people reside who are interested in this very bill than in any other part of Canada, the legislatures have not yet acted, and if this House sees fit to amend the bill it is perfectly free to do so. Then the promoters of the bill can go back to the various legislatures which have passed similar bills and have them amended to bring them into accord with what legislation we see fit to pass. I think the House should pause before it allows an objection of the kind urged by my hon. friend from Lisgar (Mr. Brown) to have any effect at all. If that objection is good in regard to this bill, it may be good in regard to a hundred other bills in the future. The fact that a provincial legislature has passed legislation upon an involved question must not be permitted to tie the hands of this parliament. We must be free to act as we see fit.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I do not think any member in this House wants to tie the hands of parliament. Parliament is perfectly at liberty to take what action it pleases in regard to this bill, as the hon. member for South Wellington (Mr. Guthrie) knows very well. There is no attempt on the part of those who are in favour of the bill as it now stands for third reading to press for any undue favours. Had this title been introduced in the Private Bills committee at the commencement, had the bill been so considered all through its course as "an act incorporating the United Church in Canada", I am sure no one would have objected to the title. The bill was before the Private Bills committee for weeks and the hon. member for Lunenburg found no fault with the title, and it seems strange that now it strikes him that this is an opportune time to move his amendment.

Mr. DUFF: I brought it in yesterday.

Mr. FORKE: Well, yesterday. The hon. member for South Wellington has stated that we object to the amendment because six of our provincial legislatures have passed similar legislation under this title. That is one of the reasons, but it is not the exact reason, although it is certainly a valid reason. I do not remember the exact phraseology of the legislation as it was passed by those provincial legislatures, but it reads something like this: This act shall come into force when the United Church of Canada has been incorporated by the Dominion parliament. Consequently the whole bill will fall to the ground if we adopt this amendment. So, Mr. Speaker, it is in no spirit of factious opposition that we object to the amendment. I am sure that were it possible to accept it without creating confusion we would do so. But really I do not think the amendment amounts to anything. No one in Canada but knows that there is no national church in this country. No Canadian parliament would ever think of attempting to establish a national church. That this was an attempt to do so might appeal to some prejudices, but really there is no thought of establishing a national church by using the title of the bill. We have adopted the name of The United Church of Canada, the bill has gone through the Private Bills committee and it has been before this House for days under that title, and no objection was raised until last night. I do not think it would be in the interests of the bill that the name should be now changed.

Mr. G. H. BOIVIN (Shefford): Mr. Speaker, since the inception of this legislation in this House I have been, in the lobbies, in the Private Bills committee and in the House a strong supporter of church union. I voted for it in committee because I consider that Canada is a land of religious tolerance, of religious liberty, and that those members of the different churches who desired to unite and who asked parliamentary sanction for church union should receive, as they did receive, the approval of a majority of this House. When it comes to the title of the bill I think we should pause and consider whether it is proper or not. I remember that in my short parliamentary experience legislation has often been amended in connection with banking and other financial institutions whose promoters have asked for incorporation under a

name which would convey an erroneous impression. I remember a particular instance where the late Sir Rodolphe Forget, if I am not mistaken, applied to parliament for the incorporation of a bank to be known as the Bank of Canada. His application was refused and the name was changed.

To-day three different churches ask parliament to incorporate them as "The United Church of Canada." It is true that there is a qualification of the word "church" by the word "united", but if this word were deleted the title would remain "The Church of Canada," and I do not think that any church should be established in this country as the Church of Canada. I know I would not ask that for the church to which I am proud to belong, and I do not think that our good friends of the Anglican church would ask to have their church established as "The Church of Canada." I am sure that if our friends had given this matter sufficient consideration when they introduced the bill they would, as the hon. member for Brandon (Mr. Forke) says, have used a different title and perhaps it would have been "The United Church in Canada."

I understand that the acceptance of this amendment would cause some slight inconvenience. I understand that the promoters would be obliged to apply to the provincial legislatures for a slight amendment to bills that have already been introduced and adopted. But what is that in comparison with the sanction by this parliament of a title which to those who do not know Canadian affairs, may convey the idea that we have abandoned our ideas of religious liberty and that like some other countries we have accepted the idea of having an established church? I do not think the majority of the Canadian people would ever consent to any church being the established church in Canada. The title may not have been chosen to convey that impression but for the outsider, for the immigrant, it is certainly a misleading title. There are in other countries established churches. They have the Church of England in Great Britain, which we all respect as the established church in that country but we have always felt that in this country there never would be one church with more rights or privileges than another. If we object to financial institutions taking a title of this character we should also object to religious institutions doing so.

Mr. BROWN: Have we not the Union Bank of Canada?

Mr. BOIVIN: Yes, we have the Union Bank of Canada, the Canadian Bank of Commerce and the Royal Bank of Canada. But we have no Presbyterian Church of Canada, we have no Catholic Church of Canada and we have no Anglican Church of Canada. Why should we have a United Church of Canada? I do not want to go further and say that the adoption of that title might result in an interference with the excellent missionary work that these united churches have been doing in the past in foreign countries. I am not going to enter into that, but I realize that it might be difficult for their missionaries to go to foreign lands and ask people who never desired to establish themselves in this country to join a church which would have the name "United Church of Canada." I merely mention that for their own consideration. But as a citizen of Canada, proud of the religious liberty we in this country have always enjoyed, I do say that I would not like to see any legislation adopted by this House which would enable any church to sail under the false colours of being the established church in this country. I do not think the title should be adopted. I therefore will vote for the amendment.

Mr. W. C. GOOD (Brant): The matter might be one of no importance if there were not possibly involved in it the setting aside of provincial legislation. I think we ought to be very clear as to what may be the possible effect upon provincial legislation. Personally I do not think anybody in the House would object to the use of the word "in" instead of "of". But under the circumstances what does it mean? The hon. member for Brandon (Mr. Forke) has stated that it would involve the setting aside, temporarily at least, of the provincial legislation, and that might be a serious embarrassment.

Some hon. MEMBERS: Oh, no.

Mr. GOOD: Would it not therefore be worth while to pass the legislation under the existing name, trusting that if the name is not suitable or not exactly what is desired it may subsequently be changed by concurrent action in the Dominion and the provinces?

Mr. J. D. CHAPLIN (Lincoln): Mr. Speaker, we have heard a good deal both in the committee and in this House regarding the effect that any change in this bill might have upon provincial legislation. I agree with the hon. member for South Wellington (Mr. Guthrie) that too much stress has been laid upon this matter. We have been de-

barred from debating the question in a great many instances because, forsooth, it was going to affect provincial legislation. My contention is that this bill should have come to the House first so that we could have passed upon it and there would not have been these continual references to what has been done in the provinces. If things have been done wrongly, let them go back and have them done right.

In respect to the particular point in question, my attention has been frequently called by many people to the name of this church. The matter was not officially brought up, but it has been brought to the attention of those promoting the bill. It has been referred to in the press of the country and there has been a good deal of talk about it, yet we are told now the bill cannot be changed on account of the effect any change might have upon provincial legislation. I have had dozens of letters upon the subject. I have refrained from referring to the name in committee because personally I was not particularly concerned with the name; I was more concerned with some other features of the bill which I considered objectionable. Some of these we have rectified in committee; others we tried to get rectified in this House. A few nights ago the hon. member for Vancouver Centre (Mr. Stevens), who was not in the committee and who had not heard the discussion so far as it went in the House, told us that so far as he was concerned—and he thought he voiced the opinion of all those in favour of the bill—if anything came up in connection with which fairness should be shown to those who were more or less opposed to the bill, he would be quite willing to act in that way. But even with that promise of his, the House did not change one syllable or one sentence of the bill. We asked for only a small thing the other day in respect to the voting, and what did we get? We just got the steam roller. The Minister of Agriculture (Mr. Motherwell) told us what we should do in the interests of harmony. What a wonderful harmonizer he is! I have only to refer to the letter he wrote to members of this House, which also appeared in the press, to show what a harmonizing influence the minister is in the House.

Mr. MOTHERWELL: My hon. friend has nothing to do with that letter.

Mr. CHAPLIN: I have nothing to do with it? Well, the House has something to do with it, and it seems to me I have some right to refer to it when an hon. member from his place in this House referred to the writing of that letter as like a billy-goat butting up against a billboard.

Mr. MOTHERWELL: I took it, didn't I?

Mr. CHAPLIN: I am glad to know the hon. gentleman took it; that means he took something. At all events the harmonizing influence of the minister from the point of view of his letter writing capacities does not count for very much. My objection to this name and also to the method of voting is based upon statements and requests made to me from my own people. This House passes a bill telling the members of the Presbyterian church in Canada how they are to vote. An hon. gentleman says I am not in order, but I think I am entitled to speak of that, because it is one of the things the House decided the other night by the steam roller process to which I have referred. We asked to have our people vote by ballot, and we were told: You have to vote in a certain way. Then when we demonstrated to the House the fairness of our request we were told: Oh well, the provinces have decided it that way. It all comes back to what the provinces have done, and the mistake that was made in carrying the bill to the provinces first, and then coming here afterwards. This parliament has been cramped in the discussion of this measure, in the framing of it and in the amending of paragraphs and sections of the bill, simply because of taking the bill to the provincial legislatures first. We are told tonight that this matter was not brought up in the Private Bills committee. That is so. It was referred to several times; there was no motion made in reference to this particular matter, but I do not see that that is any valid reason why it should not be brought up here. I agree with the member for Shefford (Mr. Boivin) who has just spoken. I think the points he has made are well taken, and that we should not give any name to any church from which it can be inferred that that church has any connection whatever with the state. For that reason I am opposed to the name, and although the bill has practically passed the House in many of its features, I am still strongly opposed to the manner of voting that was forced upon the Presbyterians of this country.

Mr. L. H. MARTELL (Hants): I am not very much concerned as to the fight between different denominations in regard to this matter, but I must put myself upon record as being absolutely opposed to the title of this bill. I happen to be a member of the Anglican

church. True, I may not be a man that prates my religion all the time. Nevertheless, I happen to enjoy the rights and privileges of that church, as all my forebears did, and I do not apologize for it. The title of this bill in itself is insulting to me, and it is insulting to a great many other people in this country. They call it the United Church of Canada. We of the Anglican church are united, and by parliament putting its imprimatur upon that particular title it is saying to the Baptists, to the Roman Catholics, and to the Anglican Catholics of this country: You are not a united body. What I say is this: Call this church the United church or any other term you like, but do not say it is the United Church of Canada because that carries the implication that the rest of us are not united. Some hon. members may say to me: In your particular denomination you have the high church, the low church, the broad church—and some people even say no church, but we do not listen to any slurs of that sort. We always fight these things out internally among ourselves. We have our synod and our bishops and we decide these things among ourselves. But whether my political life be long or short, whether or not I am going to be met with my attitude on this particular question, I will not as a member of this House vote to put my imprimatur on a bill which I say is a slur upon the particular denomination to which I have the honour to belong. Therefore, I shall vote for the amendment which is proposed.

Mr. A. E. ROSS (Kingston): A preposition in a name may not mean very much. For example, those who did not concur in the union of these churches would have preferred to have the name the Presbyterian Church "in" Canada. That is much preferable to saying the Presbyterian Church "of" Canada, which will exclude any other part of the Presbyterians from seeking incorporation with them. The preposition "of" always carries with it the idea of possesion. We have this particular method of showing possession, and anything to which we add "of Canada" means it is Canada's. So that to call this church the United Church of Canada means that it is Canada's united church. It cannot mean anything else but that, and for that reason it would prevent the union of any other bodies. There are many other bodies in this country which might possibly unite. The Baptist church and the Roman Catholic church might unite, but they are prevented by this bill from becoming the United Church of Canada. The Free Methodists or the Hornerites might unite with the Christian Science church, and they would be prevented by this bill from calling themselves the United Church of Canada. It would be much preferable to give this church a name which would not prevent any other union such as I have mentioned. The Presbyterian Church of Canada, which is one church that we have now as a result of this bill, might wish to unite with another body, but they could not call themselves the United church, and so with other bodies. It seems very important to me that the correct name should be given, so that the possibility of further unions will not be prevented, as they will be by this name.

Mr. DONALD SUTHERLAND (South Oxford): Before this amendment is disposed of I would like to remark that I think those who are objecting to the name are a little late in the day in taking that stand. It is a matter which has been discussed for weeks past, whether the name was a proper one or not, and now that we have reached this stage objections are being raised to the name—

Mr. ROSS (Kingston): What is wrong in correcting a wrong at any time?

Mr. SUTHERLAND: It has been contended all along that it was wrong to use the name which it had. Strong exception has been taken to the name, although no open discussion took place in the House so far as I know, with regard to that feature of the bill. It is with very much regret that I have listened to the discussion that has taken place in connection with this, to me, most unfortunate matter. I have refrained from taking part in the debate which has taken place, and would have much preferred that even this discussion to-night should not have taken place. I thought when I came into the House to-night and heard the hon. member for Shefford (Mr. Boivin) pointing out his objections to the name, that this matter surely should have been remedied long before we reached this stage. I listened to the hon. member for Lincoln (Mr. Chaplin) referring to what took place here yesterday, when, he said, the steam roller was applied to a very reasonable request on the part of those who belonged to a church which was being submerged by this legislation. I think every one must admit that request was a very reasonable one, yet it received no consideration at the hands of a considerable proportion of the members of this House, particularly my hon. friends to my left, who were here

almost to a man in order to see that a snap verdict might be obtained in certain instances rather than that a fair expression of opinion should be obtained in regard to this matter.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman must not use such an expression. The debate has been characterized by moderation and courtesy on both sides and the hon. member is not justified in using an expression which would suggest that there has been a lack of fair play on the part of some hon. gentleman in the discussion of this question. I would therefore ask my hon. friend to refrain from using such an expression.

Mr. SUTHERLAND: May I ask to what expression exception is taken?

Mr. SPEAKER: The hon. gentleman is imputing unfair motives in suggesting that many hon. members united in an effort to obtain a snap verdict; to stifle discussion and prevent any proper amendment being made to the bill. I would ask the hon. gentleman to kindly refrain from using language of that character.

Mr. SUTHERLAND: I would be sorry to violate the rules of the House, but it is quite evident that I have been misunderstood. The snap verdict to which I referred was not in this House but outside of it. I referred to the vote to be taken of the congregation as to whether they were willing to enter into union or not.

Mr. BOIVIN: A very good figure eight.

Mr. SUTHERLAND: I did not have the advantage of listening to all the evidence which was submitted to the Private Bills committee, but I heard sufficient to convince me that some effort was being made by the leaders of the union movement in the church to which my people and I have always belonged which it was not desired should be ventilated openly; there was a determination that the old church should be submerged and cease to exist. Under the circumstances I am not at all surprised that hon. members should rise here and object to the name "United Church of Canada." I am inclined to think that a more suitable name, perhaps, would be the "Disunited Church of Canada." I regret, more deeply than most hon. gentlemen possibly realize, to have to refer to this question in this way. I was never more ashamed of the effort that was put forth than when I witnessed what took place here yesterday with a view of preventing a fair and honest expression of opinion on the parts of the churches affected.

Some hon. MEMBERS: Order.

Mr. SUTHERLAND: Some hon. gentlemen are very careful about the observance of order. Evidently they do not understand the rules of the House or they would not have interjected the remark. I wish to say that the method of voting which those criticizing the bill sought to bring into effect was one that would have enabled all those belonging to the Presbyterian church to give a fair and honest expression of opinion on the matter. The bill in its present form does not enable that to be done and consequently, in my opinion, the name "United church" is not an appropriate one in this instance. It is quite apparent that many congregations—I am referring particularly to the Presbyterian denomination—do not intend to be submerged even although they are not permitted to retain the old name with which they have so long been associated and in which they took such a justifiable pride. Notwithstanding the lateness of the session parliament found the time to devote to much legislation such as should not have come before it. This union, if it is a union, could have been accomplished without all this legislation that we have been passing. I referred this afternoon to the habit we have contracted in Canada of passing legislation defining and restricting the operations of the people in business and in every other way. If there is one thing that we have a surfeit of in this country at the present time it is legislation. If we would cut out a lot of our legislation and exercise a little more common sense I am inclined to think it would be better for all concerned. I regret that this issue of the name should have been delayed through all the proceedings that have taken place in the several legislatures and in the federal House of Commons up to this stage. I rose with a good deal of reluctance but I thought it was my duty now to speak in view of the fact that I abstained from speaking during all the days and weeks this bill has been before the Private Bills committee and before the House. There is something verging on the ridiculous in the fact that we are only dealing with this matter at this late stage when it should have been remedied long ago; but rather than allow this name to go into effect I am prepared to support the amendment which has been moved.

Some Hon. MEMBERS: Question, question.

Mr. W. F. MACLEAN (South York): I think parliament ought to have some respect for itself. Parliament is passing an act providing for a church union, and as far as I can see it is the greatest church union that has ever occurred in this country. It may be a point that will mark great progress in Canada. Perhaps we have too many churches in Canada, and it might be better if we had fewer of them and more union. Having taken the stand it has I do not think parliament should, by this amendment, impugn the legislation that has already been adopted.

Mr. MARTELL: I am satisfied with the membership I have in the church of my forebears.

Mr. MACLEAN (York): Never mind, perhaps the hon. gentleman would like to have a pew in it. I say that as we have virtually passed this bill which unifies three great denominations in this country—the Presbyterian, the Methodist and the Congregationalist—I do not see why we should be called upon to adopt this amendment. I am not questioning the right of those who are supporting the amendment to vote for their own proposal; but I think it would be better to let this measure which brings about unity go into effect. The hon. member for Shefford (Mr. Boivin) having made allusion to the appropriateness of the titles of banks, and pointed out that parliament has been very critical in the matter, let me say that there is a bill now before parliament—it is in the Upper House and will doubtless find its way here in due course—which proposes to bestow upon a bank the title of Banque Canadienne Nationale.

Mr. BOIVIN: That sounds more like a railway than a church.

Mr. MACLEAN (York): Nevertheless there is such a bill before the Senate at the present time and I suppose it will shortly reach this House. Here is a case where a private bank in this country is seeking authority to call itself Banque Canadienne Nationale.

Mr. CHAPLIN: We can change it.

Mr. MACLEAN (York): We can change it. Perhaps my hon. friend will introduce legislation of that kind into this House. We have adopted union in this country. It is a great union, a credit to the country and a prediction perhaps of something greater to come. The hope of the world to-day is that Christianity is to be stronger and more united. The argument against Christianity to-day is that it is too much united perhaps, and yet it lacks union. It preaches unity and does not practise it in all cases. In this instance we are trying to practise it. Certain denominations have got together and have tried to unify themselves as far as this measure can unify them. I hope they will get unity. I hope this tendency towards union will grow rather than diminish.

Mr. G. C. WILSON (Wentworth): I wish to enter my protest against the use of the words "United Church of Canada." I cannot see that the name is anything but a misnomer. I cannot understand why this House should pass such legislation. The hon. member who just addressed the Chamber (Mr. Maclean, York) said it referred to the act of union. Is it not a fact that the Presbyterian church as a denomination has a proud record? It has done great work. Denominationalism is not a detriment to any country but is a benefit. I cannot for the life of me understand how parliament can approve of these words "United Church of Canada." I regret I was not there in the early part of the debate. What about the Anglican church or the Roman Catholic church? There are other denominations in this country, and when you speak of United church you give the impression that all the churches in Canada are united, which is not the fact. In my opinion this could be the most disunited church that had ever been known, speaking from the standpoint of the Presbyterian church. If we say to the Presbyterians who wish their church to remain as the Presbyterian Church in Canada that they cannot have the title, and then turn around and incorporate there applicants as the United Church of Canada and try to insist that that is in the best interests of this country, I must say that I cannot see it, and I certainly think that parliament should not adopt any measure that will perhaps grant a special privilege to any organization. I certainly hope and trust that parliament in its judgment will not agree to any such action.

Amendment (Mr. Duff) negatived on the following division:

YEAS

Messrs.

Arthurs,	Boivin,
Beaubien,	Bouchard,
Beland,	Boucher,
Benoit,	Bourassa,
Binette,	Bristol,

Cahill,
Cardin,
Carroll,
Casgrain,
Chaplin,
Chisholm,
dAnjou,
Déchène,
Denis (St. Denis),
Deslauriers,
Dickie,
Duff,
Duncan,
Elliott (Waterloo),
Ethier,
Fontaine,
Forrester,
Fournier,
Guthrie,
Lanctôt,
Lapierre,
Lapointe,
Macdonald (Pictou),
McDonald (Timiskaming),
McIsaac,
McKay,
Marler,
Martell,
Michaud,
Motherwell,
Papineau,
Pelletier,
Power,
Prevost,
Putnam,
Raymond,
Rinfret,
Robichaud,
Robitaille,
Ross (Kingston),
St. Père,
Sinclair (Queens, P.E.I.),
Stewart (Hamilton),
Stork,
Sutherland,
Tobin,
Wilson,
Woodsworth.—58.

NAYS

Messrs.

Baldwin,
Bancroft,
Bird,
Black (Halifax),
Black (Huron),
Black (Yukon),
Brethen,
Brown,
Caldwell,
Campbell,
Charters,
Clark,
Coote,
Crerar,
Denis (Joliette),
Doucet,
Drayton (Sir Henry),
Drummond,
Evans,
Fansher,
Findlay,
Forke,
Gardiner,
Good,
Gordon,
Gould,
Graham,
Grimmer,
Halbert,
Hammell,
Hatfield,
Hodgins,
Hoey,
Hopkins,
Hudson,
Hughes,
Humphrey,
Hunt,
Jelliff,
Kelly,
Kellner,
Kennedy (Edmonton),
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
King, Mackenzie (York),
Knox,
Leader,
Lewis,
Lovett,
Lovie,
Low,
Lucas,
MacLean (Prince, P.E.I.),
Maclean (York),
McBride,
McCrea,
McMurray,
McQuarrie,
McTaggart,
Maybee,
Meighen,
Millar,
Milne,
Morin,
Morrison,
Murdock,
Neill,
Preston,
Reed,
Robinson,
Sales,
Senn,
Sexsmith,
Shaw,
Sheard,
Simpson,
Speakman,
Spence,
Spencer,
Steedsman,
Stewart (Humboldt),
Stewart (Leeds),
Thompson,
Thurston,
Wallace,
Ward,
Warner,
White,
Woods.—90.

[Mr. Wilson.]

PAIRS

(The list of pairs is furnished by the Chief Whips.)

Messrs:

Tolmie,
Malcolm,
Carruthers,
MacLaren,
Johnston,
McConica,
Clifford,
Logan.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. DUFF: I rise to a point of order, Mr. Speaker. It is now 9.15 and the time allotted to the consideration of private bills has therefore expired.

Some hon. MEMBERS: Oh, oh.

Mr. BOIVIN: The point of order is well taken.

Mr. SPEAKER: As the hon. member for Shefford (Mr. Boivin) has properly observed, the point of order is well taken unless the House will give its unanimous consent to the third reading of the bill. The first hour from 8 to 9 is devoted to private bills and I must therefore pass to the other business of the day unless it is the unanimous wish of the House that I put the question. Apparently the House is not unanimous on the point.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Is it the unanimous wish of the House that the bill be now read a third time?

Some hon. MEMBERS: Yes.

Mr. DUFF: No.

Mr. SPEAKER: Is there an objection?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. SPEAKER: Am I to understand that the House concedes its unanimous consent to the third reading of the bill now?

Some hon. MEMBERS: Yes.

Mr. DUFF: No.

Mr. SPEAKER: The House not being unanimous, and the hour for the consideration of private bills having been exhausted, the House will now resume in committee of the Whole on the resolution under discussion before recess standing in the name of the Acting Minister of Finance (Mr. Robb).

Mr. MOTHERWELL: I beg to state, as a matter of record only, that I voted for the amendment in mistake.

Mr. SINCLAIR (Queens): I desire also to state for the same purpose that I voted for the amendment in mistake. I regret having done so through a misapprehension as to the question.

Mr. SPEAKER: At page 21 of Beauchesne's Parliamentary Rules and Forms it is provided in paragraph No. 73:

If a member who has heard the question put should vote inadvertently, contrary to his intention, he cannot be allowed to correct the mistake, but his vote must remain as first recorded.

Again, according to No. 79:

A vote, once given, cannot be withdrawn.

May, at page 343, deals with the matter of the recording of votes in England, where the practice is different from that of the parliament of Canada; in England each party goes to its own lobby when the division is taken. May says:

If a member goes into the wrong lobby, through inadvertence, it is the rule in the Commons, in opposition to the practice of the Lords, to hold the member bound by the vote he has actually given. On the 21st June, 1864, Sir Colman O'Loghlen, in committee on the Court of Chancery (Ireland) Bill, went into the wrong lobby, and carried, by his vote, the question that the chairman do leave the chair. He stated his case to the Speaker, when the House was resumed, but was told that, having heard the question put, there was no remedy for his error.

REFUNDING LOAN—$300,000,000

The House resumed, in committee, consideration of the resolution standing in the name of the Acting Minister of Finance (Mr. Robb) to provide for the raising by way of loan of the sum of $300,000,000.

Mr. CAMPBELL: A short time before the House rose at six o'clock I asked the minister a question to which I did not receive a complete answer. At present, the banks are permitted to take certain securities, among them Dominion bonds, to the Minister of Finance and to secure in return Dominion notes. I asked the Acting Minister of Finance why, under these circumstances, the government itself could not deposit its own bonds with the Finance department and secure in return the Dominion notes which ordinarily are handed to the banks. An hon. member, I believe the member for King's, P.E.I. (Mr. Hughes) suggested that this would cause inflation. I do not think it would increase the inflation; as it stands at the present time, these Dominion notes are issued not against gold but against bonds or other securities, sometimes industrial bonds, commercial bonds and notes from business houses. To-day there is inflation to the same extent in so far as the bank is concerned, and I should like the minister to explain in what way he considers my suggestion unsound from the banking standpoint. If it is unsound for the government, surely it is unsound to permit it in the interests of the banks.

Mr. ROBB: We debated this question all afternoon and I said I did not believe it was sound banking to Russianize the securities of Canada.

Mr. CAMPBELL: I am not—

The CHAIRMAN: I think the hon. member is getting away from the resolution, the purpose of which is to provide the means of raising a loan of $300,000,000. He is entering upon a discussion of banking systems generally and it seems to me that the debate is going beyond the point of relevancy to this particular resolution.

Mr. CALDWELL: If this is made a domestic loan, there is no thought of making the bonds tax exempt?

Mr. ROBB: Some recent issues of bonds have not been tax exempt.

Mr. CALDWELL: I understand that. I thought that possibly the strongest criticism of early victory loans was that they were made tax exempt. It has been stated in the House this afternoon that a great deal of Canadian money is tied up in victory bonds, and therefore is not available for the business needs of the country. I think possibly there is something in this statement. But the more serious aspect is that we have immense sums of Canadian capital tied up in victory bonds on which we do not and cannot collect any tax; therefore the poorer people must to that extent bear a heavier burden of taxation. I commend the government for the recent issues of government bonds without tax exemption, and I am glad to hear that there is no thought of reverting to the old system.

Mr. HUGHES: If we could ascertain whether or not there is a surplus of liquid capital in this country at the present time, we could decide fairly well which would be preferable, a domestic or a foreign loan. I think the people of Canada are pretty well agreed upon these principles: That our natural resources are very extensive; and that we want population and capital to develop them. If these principles are sound, and if there is a shortage of liquid capital, then unquestionably it would be better for us to float a foreign loan. If, on the other hand, there is an excess of liquid capital over and above what is required to carry on the nation's business, to meet all local demands, then to that extent,

and to that extent only, a domestic loan would be advisable. Now, it has been stated here by men who are in control of financial organizations that there is a shortage of capital. The Acting Minister of Finance has access to avenues of information that are not available to the ordinary citizen, and he is therefore in the best position to decide this question. He is able to consult the bankers, the capitalists of the country, who can furnish him with reliable information on this point. Consequently we must under these circumstances leave the matter to his decision, for if he is capable of filling the position he occupies, he is capable of deciding this question in the best interests of the Dominion.

Mr. WOODSWORTH: If I remember correctly, Mr. Chairman, some years ago the Canadian Northern Railway was financed by the direct extension of the credit of the government to the amount of $25,000,000. Do I understand that discussion of that manner of financing is precluded by your ruling on the question asked by the hon. member for Mackenzie (Mr. Campbell)?

The CHAIRMAN: I do think that we are limited to the question of expediency, and as to whether the money should be obtained in certain markets. I think the debate which developed this afternoon was more or less on the question of the system of banking.

Mr. WOODSWORTH: As I understood the question of the hon. member for Mackenzie, it was not relevant to the system of banking but had reference solely to whether we would go to the banks for accommodation or whether the government itself could issue notes.

The CHAIRMAN: I think that would be in order.

Mr. CAMPBELL: Your ruling then, Mr. Chairman, would leave my question perfectly in order. The question resolves itself into whether the government proposes to use the means for obtaining money that at present is the special prerogative of the banks. I am quite ready to agree with the hon. member for Brome (Mr. McMaster) that there are very grave dangers in inflation, that it is very difficult to tell where any government would stop once it embarked on such a financial policy. But I submit that we have that very system in effect to-day. If our currency were entirely based on gold, if there were behind our note circulation dollar for dollar of gold, I submit that the question of the dangers of inflation would be quite pertinent; but we have that condition of affairs in Canada now, and I do not think we will ever see a return to the gold standard. When the banks take to the Minister of Finance industrial, municipal and Dominion bonds and the notes of private business men, and against the deposit of those securities receive an issue of government notes, why, that is nothing but fiat money; there is direct inflation every time that occurs. It is not a question of deciding whether inflation itself is right or wrong; I think we all must admit that it is wrong; but we have that very system in operation to-day, and we have to decide whether we are going to use this means ourselves or leave it as the special prerogative of the banks. I should like the minister to explain a little more fully his statement that it is unsound for the government to use the very system that has been created for the use of the banks to-day. If it is unsound for the government to use the system, then the system must be equally unsound when used by the banks.

Mr. McMASTER: Mr. Chairman, I would answer an observation made by the hon. member for Mackenzie. He states that whenever under the Finance Act the banks take securities and deposit them with the government there is inflation. I do not agree with that statement. Inflation is where you increase either the actual money or the bank credit of the country beyond the actual needs of the country. An increase in credit, whether it is in the form of dollar bills or in bank credit, which merely keeps pace with the increase of the business of the country is not inflation. One of the factors which tend to prevent inflation under the Finance Act is that banks are obliged when they borrow money on the securities which they deposit with the government to pay the interest upon them. It is true they borrow the money for the purpose of lending it again at a profit, but they have always got the interest to pay; and then of course they have the solvency and the soundness of their institution to bear in mind—considerations which should operate to prevent them from making undue use of this advantage.

Mr. SHAW: Is it not true that one of the chief complaints against the federal reserve system has been that the member banks have been able to get money at a cheap rate and loan it at a high rate? Consequently it is to their interest to borrow; there is inflation and the evils which inflation causes. Is that not true? In Canada the rate which the banks pay under the Finance Act is 3 per cent; they readily get 8 per cent. Does that not create inflation in Canada as it did in the United States?

Mr. McMASTER: With any system that involves elasticity in the currency of the country, whether that currency be bank credit or ordinary currency, you have a country exposed to inflation or deflation because inflation or deflation will depend on the attitude of mind of those who are in control of the credit facilities of the country. We have heard the Federal Reserve Bank very severely criticised for inflation; we have heard it just as strongly criticised for a process of deflation when the Federal Reserve Bank called in the loans it had made to the different banking institutions of the United States and they in turn had to call in the loans they had made to their customers. You will find no infallible rule in any system of banking or of credit; mistakes will be made. But the value of such a discussion as this—and I am doubtful whether this is the proper time and place for it—is to attract public attention to what are the real bases of the credit of the country. We have been too much accustomed to regard money as consisting in the mere dollar bills or ten or twenty dollar bills which happen to be in the pockets or the tills of the people. But I think I am right in stating that not more than 10 per cent of the business transactions of the country are conducted with currency; 90 per cent are conducted through the credit system which really comes down to nothing more nor less than entries in the books of the bankers of the country. What I wanted to point out when I rose in the first place was that for bankers to take sound securities to the government and in exchange for them to get currency which can be used in the business of the country is not of necessity inflation. If it is for the purpose and is limited to the object of creating enough credit instruments to keep pace with but not to run ahead of the business of the country it is not necessarily inflation.

Mr. CRERAR: I rise to a point of order. I submit that this whole discussion for the last ten minutes has been out of order.

The CHAIRMAN: I agree with the hon. member; I think it is.

Mr. CRERAR: There are some, at any rate, in the House who want to get on with the business of the House.

Mr. SHAW: I submit that the discussion is entirely in order. The hon. member (Mr. Crerar) must have misunderstood the question at issue. The question is whether or not the government in floating this loan might not issue its own credit instead of going to a foreign country or some place else to get credit through bond houses. That as I understand it is the issue that is under discussion by the hon. member for Brome.

The CHAIRMAN: If that was the issue it would be in order, but I did not so understand it.

Mr. CAMPBELL: A few moments ago, Mr. Chairman, you ruled this very question in order. I asked a question of the Acting Minister of Finance, but the hon. member for Brome undertook to answer it.

Mr. McMASTER: I must apologize to the hon. member if I interfered with any answer he was seeking from the Acting Minister of Finance. I had no intention to obtrude myself into the discussion and I beg the committee's pardon if I in any way transgressed.

Mr. CAMPBELL: I would like to have the answer from the Acting Minister of Finance, but I wish to put a question to the hon. member for Brome and I will ask him to answer it after I have received the answer from the minister. He spoke about the money secured through the issue of Dominion notes, issues directly against securities, as not being inflation. There is a good deal of difference of opinion about that. Does he consider money secured in that way as fiat money? Fiat money, as I understand it, is money behind which there is no gold, and when there is no gold behind money then, according to the orthodox view, there must be inflation. Perhaps the hon. member for Brome will reply to that after I have obtained the minister's answer to my question.

Mr. ROBB: It is so long since my hon. friend put the question that I have lost sight of it.

Mr. CAMPBELL: I pointed out to the minister that at present the banks are permitted to deposit with the Minister of Finance certain securities, among them Dominion government bonds, against issues of Dominion notes. Would it not be just as sound for the government to issue its own bonds and deposit them with the Minister of Finance, secure the Dominion notes in return for those bonds and put them into circulation?

Mr. ROBB: I think if we undertook to follow that system of financing the credit of Canada would not be where it is to-day.

Mr. SHAW: Why?

Mr. ROBB: I have given my answer. That is my opinion.

Mr. WOODSWORTH: Would the minister regard the method of financing adopted in the case of the railways some years ago as unsound?

Mr. MEIGHEN: Perhaps the hon. member (Mr. Campbell) would now be glad of an answer from the hon. member for Brome.

Mr. CAMPBELL: I am not entirely satisfied with the minister's answer. It is not a question whether this is sound banking or not. I am ready to admit with the minister that it is not sound banking, but the relative unsoundness of it is what I am trying to get at. If it is unsound to do it in regard to the banks then it is unsound for the government to do it. But it is considered orthodox; it is considered sound banking today. Why, then, is it unsound for the government to take to itself the rights and prerogatives and privileges that it gives to the banking institutions.

Mr. HUGHES: Since you have ruled this discussion in order, Mr. Chairman, I would like to say a few words more. Let us bring it back to the simplest elements so that we may understand it more clearly. Take, for instance, a farmer in good circumstances. He has horses and cattle, farm implements, grain and land. He is known to be a reliable man who meets his obligations. He issues a note, say, for $100. Anybody who has money to lend would take that note if it had a reasonable time to run. But suppose he issues a similar note every day in the week for months, or every hour in the day—why, the notes would very soon be far below par; a little later they would be worth very little, and finally they would be worth nothing at all. A nation could do the same thing by issuing its paper to excess. We have seen Russia, Austria and Germany do it until their paper became worthless.

Mr. SPENCER: Has any one in this House to-day suggested issuing paper to excess?

Mr. HUGHES: I am not stating that, but I think that is implied in the arguments of some hon. gentlemen on the other side. The government of Canada issues paper currency; the banks of Canada issue paper currency, and between the two issues the full requirements of the people are met. If the government decided upon issuing a much larger quantity of this paper than is now in circulation there would be no room for it unless the privileges and the powers the banks have in respect to the issuing of currency were taken away, and that would raise a very big question. If those privileges and powers were taken away the government could issue its own paper without inflating the currency, without reaching the danger point. Suppose the government issued all the currency the country demanded, all that it could absorb. At some seasons of the year more currency is required than at other seasons, and the government would have to be in a position to take care of the excess currency as it was presented by giving for it something that would have an international value—for instance, gold. The government evidently could not redeem its own excess issue by another issue. That is the full limit to which the government could go. In my judgment the government could not issue any more notes than are now in circulation, because the people of Canada could not absorb them; they are not needed in the daily business of the country, and could not therefore be issued unless the government withdrew from the banks the power and privilege they now possess. That is a very big question, and one that would involve other considerations altogether.

Mr. GARDINER: Representations have have been made in the committee this afternoon with reference to the possibility of floating a loan, say in the United States or Great Britain, to meet our maturing obligations. We floated a loan in New York two years ago for $100,000,000, and I would ask the minister what consideration did Canada receive in exchange for our bonds? Did we receive gold? Did we receive United States currency, or did we receive banking credits?

Mr. ROBB: I have heard this question argued very often in this House and different theories are advanced as to what is received in exchange. I have heard some hon. members argue that it would be goods. There is a great difference of opinion on this point.

Mr. GARDINER: I asked the minister what we actually did receive for the $100,000,000 of bonds that we sold in the New York market. We must have received something. Did we receive gold for those bonds. United States currency, or banking credits?

Sir HENRY DRAYTON: We did not receive goods. The government does not receive goods.

Mr. ROBB: But the country does. We received a credit in the banks that was worth gold if we had demanded it.

Sir HENRY DRAYTON: I am afraid we will never get anywhere to-night discussing this question, but I am just going to take

one or two features which have developed as the discussion has gone along. In the first instance, I am sure the House was moved by the very feeling congratulations conveyed by the hon. member for Victoria and Carleton (Mr. Caldwell) to my hon. friend upon issuing bonds which are not free of taxation. The hon. minister saw the joke all right; he is laughing now. Of course, once upon a time, during a period of great stress and uncertainty, bonds were for the first time in Canada issued free of taxation. It was not a new idea at all. Government bonds for years in the United States, as hon. gentlemen know who have been following this question, and not only government bonds, but practically all state and municipal obligations, and obligations of public service companies, are free of federal taxation. So the error, if error there be, that was fallen into during that time of stress, certainly had any amount of example and precedent for it, and it was not followed for a very long time. It was some time before my hon. friend had to bother about a funding issue. We stopped that. Of course, the memory of the hon. member for Victoria and Carleton does not go back as far as 1919. Our last victory loan in 1919 was taxable, and of course we have persisted ever since in that course, and we are going to, I hope, entirely in the future.

Now, on the question of inflation and deflation, Mr. Chairman, I do not mind saying frankly that I have found the more I learned about it, the less I could talk about it. When I was embarking upon a study of the subject I could talk all day long on either inflation or deflation. It is an extraordinary thing, that question of inflation and deflation; how at first the vista is so enormous, and the possibilities are so great, and we go into it with great enthusiasm; we want to get on a better basis, if there is any way of getting on it, and we want to stay on it. But the more you go into it, the more you study it, the more circumscribed the vista becomes. You have difficulties here and difficulties there which become greater the better you understand them. I think we can safely say that we have not got back to the gold basis at the present time, but I am inclined to think that we will come back to it again. I think all countries will, when they can afford to do it, because after all real tangible values are good in business, and the more direct and the more real your yardstick is, if you can only keep it like a yardstick, instead of it going in all directions, like we have had it the better for us all. But for the time being the whole world, outside of the United States, and the United States for a time in fact, has got away from the gold standard, and we have to wait.

I am frank to say that when I had the task of administering Canada's finances, take in 1920 particularly, we were entirely away from any gold standard, not only as a matter of law, but much more as a matter of fact. As a matter of law, bank bills were made legals just the same as anything else. We had our law which prevented the movement of gold in or out. Legally we were entirely away from the gold standard, but in fact we were much more so; we were completely divorced from it. In 1920, the first year that the control of wheat was off, when the wheat board was no longer functioning, there was very grave doubt in the minds of some people whether it would be possible to finance the crop. Well, the crop was financed without very great difficulty.

I remember that a very learned gentleman who could talk very convincingly and eloquently on the question of inflation and deflation demonstrated to an audience in this city in 1920 that Canada was absolutely insolvent, as a result of the tremendous inflation of the country at that time. What was that inflation? Of course, we had a certain amount of inflation resulting from the war. Hon. gentlemen will recall that the percentage of gold behind our legals had been changed, but over and above that, at that particular time a large amount of the legals out were simply legals which had been issued to finance the wheat crop. The amount was large; I forget for the moment just what it was, but what was done and the result of what was done shows that when you have inflation and when you have not inflation—and that inflation may not depend upon the amount of your issue—well, though it was said that we were hopelessly insolvent, the whole of those surplus funds were retired in due course out of the sale of our wheat, of our flour, and of our packing house products. Those were the three things against which I was issuing legals to a very large extent. They were all got rid of; the currency all disappeared

The hon. member for Brome (Mr. McMaster) is very near the truth when he says that the question of inflation of currency does not depend so much on the volume of currency by itself; that it depends rather upon the volume of currency in ratio to the demand within the country for the use of currency. There is another way in which it can be expressed which, I think, perhaps makes it a little easier to understand. Take for example the issuing of legals under the circumstances I have mentioned in the year 1920. There is

a direct ratio between commodities and currency. It is the amount of commodities, of wealth produced, and the ratio which exists between them and the currency itself which in fact determines whether there is inflation of currency or not. And there is one good thing about the present system which is in fact a recognition of our currency on a commodity basis. Take the gold; there is one good thing about it. The whole of that redundant issue automatically came in, automatically was cancelled, and automatically disappeared Why? Because in the case of every bank that had it, it just meant that they were paying out 5 per cent if they held it. It came back, it passed in, and the obligation of the country disappeared. So I am not very much afraid of currency inflation so long as I know that that inflation is something which is in proper relation to the average commodity movement in the country. That is what we need it for.

Mr. McMASTER: It is partly inflation in that case.

Sir HENRY DRAYTON: I do not think it can well be inflation so long as the currency of the country is merely sufficient to do what currency is meant for, namely, not only to allow our business activities to be carried on in the ordinary sense but also to permit the full exchange of commodities, using the currency itself for a basis. Of course there are other matters of inflation and they are somewhat connected with the subject I have just alluded to. Take for example government bonds. One of the greatest causes of inflation in every country was the issue of government bonds, and the re-issue of them and the use in different re-issues of practically the original dollar with some enlargement of the principal. That alone of itself does not make inflation. Hon. gentlemen talk about loans being made by banks to customers, and treat that fact as if it creates inflation. It does not so long as it is proper business. Supposing, for example, that those government loans had been for the purpose of enlarging our agricultural and industrial activities, costing 5 to 6 per cent but bringing in as a result of the enlargement of those activities a return of 10 per cent? There is no inflation there. On the contrary, instead of inflation you have a very useful investment. But these government loans were not for any of these useful things. Why, there was not one victory loan that had anything really useful for its purpose except enabling business to be carried on for the time. We were simply paying the cost of maintaining our men overseas. Everything was being blown up, our money was being dissipated, and therefore there was inflation.

Now, I am afraid I am coming back to my preliminary thoughts in talking as long as I have, but there is another thing we have to think of in connection with these loans. In the first instance hon. gentlemen are not quite right when they think that all of the bonds of this country are held or very largely or almost exclusively held by the big corporations. They are not. There are heavy holdings of bonds by corporations that the people as a whole are tremendously interested in. I think I would be safe in saying that the holders of life insurance policies in this country have larger holdings of these bonds than they have of any other security. I think I would be quite safe in saying that, and it means that there is practically one in almost every family. They are very directly interested. I do not know what the proportion of holders is now but I could have told once. I remember in the old times the hundreds and thousands of applications which we had, and I was very completely familiar also with the tremendous amount of accounts there were in connection with those loans. That is one of the reasons for the cost of managing such a loan, why it is so great. Not only were hundreds of thousands of cheques issued but there were millions of coupons. If these registered bonds were held by just a few concerns it would be very much cheaper to carry on the management of such a loan. I do not know what the number of cheques is to-day, but I have no doubt the minister can tell us. There is a real interest in this, apart from some large bank or some other large institution.

Further than that there is a very real interest outside of the country. Never mind all we could do to our own banks if it were wise to do it; and frankly I do not think it would be wise to put them out of business. But apart from that there is a very large interest out of the country. There is a very large proportion of our bonds held out of Canada to-day and we have got to pay them. They have got to be paid, and I know that when that time came there would be a great deal of difficulty in paying them by simply telling the foreigner "We have opened a credit for you in our books." The foreign creditor would not like the mere idea of being told "The Dominion is worth billions of dollars and a credit has been opened for you on its books." He would say "Yes, but what am I going to do with that credit? What can I do with it. In other countries I am going to get

gold." A mere photograph of that entry on the credit side of the ledger showing his name at the top of the ledger will not help him very much. It will not help our
10 p.m. credit very much to say that the credit is his. And what is more, the foreigner is not going to be content with the picture of even these beautiful buildings with a promise to pay underneath. He is entitled to payment. How are we going to do it?

An hon member put a very proper question when he asked the Acting Minister of Finance what we got for the hundred million loan in New York. There is no mystery about it. I do not know whether at that time the government had to look after obligations in New York. If they had to do so, all that happened in the case of the hundred millions was that the New York obligation was discharged by the cheque of the people who bought those bonds. But assume that none of it was paid in New York and that it was all paid here. Hon. gentlemen of course know that the Canadian creditor would be no more satisfied with a ledger entry in the books of the New York banker in his favour than the foreign creditor would be satisfied with a picture of the entry in his favour in our ledger here. There is no mystery as to what happens. The government buys Canadian dollars. It gets money, or credit, or whatever you like to call it and turns it into Canadian dollars.

Mr. WOODSWORTH: What is the security which the Canadian government puts up in order to get this credit?

Sir HENRY DRAYTON: The security of the country—no question about it.

Mr. WOODSWORTH: Whether this credit goes through the bank, or whether it is given directly by the government, the security is the same in either case?

Sir HENRY DRAYTON: Yes, but the position is entirely different, having regard to the method in which payment is made. The hon. gentleman is a close thinker and can follow me easily enough. We have a debt, we will say, of $2,400,000,000. Suppose we say we will get rid of the whole of it—and it is all payable in Canada—by simply using the printing press. If you say you are going to do it for part, then if it is good for part, it is good for the whole. If it is honest to pay one cent to the bond-holders with paper, it is honest to pay the whole. Therefore, we would have to consider paying $2,400,000,000. I do not know the amount of currency out to-day. I have not been able to attend the sittings of the Banking committee, because I was a special subject of investigation before a commission which was sitting at the same time. Therefore I have not heard the up-to-date statistics, but hon. gentlemen know it is a mere fraction of that amount, and it is enough to-day. Put it that way, and what use is it to the people? It is certainly of no advantage to them unless they can use it. On the other hand, if they cannot use it, if you have a great deal of money that cannot be used and if it is not redeemable, then of course you have the Russian or German situation. It could not be redeemable. Just follow up the thought that is thrown out. We pay these obligations by issuing paper. That paper cannot be redeemed.

Mr. WOODSWORTH: I have made no suggestion of issuing paper. I simply asked whether the credit was not the same whether the government borrowed through the banks or re-issued creditory notes or bills. The credit is the same in either case, I think, and there would be no more inflation in the one case than in the other.

Sir HENRY DRAYTON: Suppose you take this view of it; suppose we do not use the banks or the underwriters at all, and do just what we did in the case of the victory loans, it is quite all right. In reference to that loan we looked after our own business. We made our own agreement and did our own advertising. We negotiated with no underwriters. We raised the money ourselves. I did not know this matter was coming up; I am speaking from memory, and hon. members will bear with me if my figures are not quite accurate, but they are substantially correct, and I say that the victory loans cost us 0.7, 0.9, 1.3, and 1.1, if I remember rightly. We did all the work ourselves. The department itself looked after it, but hon. gentlemen will see what that meant. That meant absolutely no change in the underlying principle. What is that principle? The principle is that the country as a country gives the security which is a redeemable security, and it makes no difference whether the security is a bond, a bill or a lien, so long as we have to redeem it, and if we issue bonds to-day and say to these gentlemen, "Here we will give you bonds, whether you want them or not, or we will give you a legal, whether you want it or not"; we are not paying them, and we can very well say that that is something that is going to be redeemable when we are treating these existing obligations as not redeemable. This is a matter in which we want all the

light we can get. I am afraid at present the only practical method is to do business either ourselves directly upon the recognized basis of values, or else deal through the banks.

Mr. GARLAND (Bow River): I wish to make a suggestion in all seriousness to the minister, and I deal with this subject in no flippant or purely academic fashion. I look upon this matter as one of the most serious problems facing not only Canada but other nations. I say that this government, in common with other governments, are absolutely in the power of financial interests at the present moment, and are unable to free themselves from the shackles of those interests. I have before me statements from prominent gentlemen in regard to this matter. I have under my hand a statement from the Prime Minister of England, Ramsay MacDonald, in which he declares that all governments were helpless in the power of the financial classes. I have Lord Milner's similar statement in that connection, and a further quotation that deals directly with this particular problem. He says:

> As a matter of fact some of the greatest fortunes have been made and are being made to-day by the mere manipulation of financial counters for which the chaos of exchange affords such exceptional opportunity. That is interception in the grand style.

By giving the minister permission to float this loan of $300,000,000 we are proposing, I understand, that the minister shall forthwith adopt the orthodox practice of issuing bonds through the regular orthodox channels. In short, we are continuing the practice of the past, in still recognizing the financial machine that exists and are using that machine without always taking into consideration just what it means in cost to the people. If the minister has to float three hundred million dollars' worth of thirty-year bonds at five per cent interest, what does it involve? This is a consideration that should be thoroughly impressed on the public and also on the minister. It means that if the bonds run to maturity we in Canada and our children after us—because we will not all live thirty years longer—will have paid four hundred and fifty millions in interest for the use of about two hundred and ninety-two million, and we would still owe the three hundred million to the bondholders whoever they may be. I term that frankly a most insane system of financing in this age and generation. I therefore urge the minister to take into consideration some alternative method, not with a view to immediately adopting it—I do not attempt to suggest I could induce him to do that,—but I ask him and the ministers that may follow him in his department, to take into consideration this appalling cumulative debt that is pressing upon the backs of nations to-day, 265 billions of international debts, the result largely of cumulative interest on bonds. Where is it going to stop? How will we pay it? The industrial machine is cracking to the breaking point at this moment. That is the situation.

Mr. VIEN: Has the hon. member any alternative to suggest?

Mr. GARLAND (Bow River): We have suggested one very carefully this afternoon, and that is that the government might take into consideration the possibility of accepting its own real credit, a real credit which J. P. Morgan will accept, and issue thereupon judiciously and wisely its own financial credit.

Mr. MACLEAN (York): Would the minister not consider the question of appointing a permanent committee to study the national debt? Probably they could extend the powers of the committee on Banking and Commerce, and have it reconstructed as the committee on Public Debt and Banking. Every session that committee could review the public debt, as to its location and the interest to be paid on it, and propound a scheme for the refunding of it. If that were done, the result would be that gradually an active and an informed committee in connection with public debt would be developed in this House, and that committee would accomplish some of the things that this House now as a committee is trying to do to-night. I have never known of any real parliamentary study by this House of the public debt in relation to the rate of interest and consolidation later on. Perhaps the minister will make a statement in regard to the suggestion which has come not only from myself but from several hon. gentlemen who have spoken to-day.

Mr. GOOD: The suggestion that has come from the hon. member for South York (Mr. Maclean) has I think very considerable merit. It is a singular and very significant fact that, connected with a number of our departments of government, particularly the Department of Agriculture, we have some really expert and well qualified men to guide us. And while I wish to say nothing disparaging about the estimable gentlemen who are associated with the Acting Minister of Finance (Mr. Robb), I think I state only the bald truth when I say there is no one in that department who is in any sense qualified to advise the minister in matters of this sort.

Mr. MARLER: Why does the hon. member say that? Does he mean to impugn the ability of the officers of the Department of Finance?

Mr. GARLAND (Bow River): The hon. member (Mr. Good) is referring to their knowledge of financial affairs.

Mr. MARLER: The officers of the Department of Finance are in my opinion an exceedingly able and intelligent lot of men.

The CHAIRMAN: I desire to remind hon. gentlemen that the present trend of the debate is out of order; this is not a question of appointing a committee.

Mr. GOOD: Perhaps the discussion from that standpoint is out of order, and I do not know whether I am permitted to answer the question put to me by the hon. gentleman. I am expressing my opinion however, not without due consideration and considerable inquiry from people who are much more competent to form an opinion than I am myself. It is high time that, associated with the Minister of Finance and his deputy, there should be one or more persons who have extensive training in this particular branch, training altogether different from the kind which the present Deputy Minister of Finance has had.

Mr. MARLER: The people the hon. gentleman has in mind are no better judges than some others.

Mr. GOOD: I have expressed my opinion; let it stand for what it is worth.

Mr. MARLER: It is not worth very much.

Mr. GOOD: I want to refer particularly to a criticism offered by the hon. member for Lincoln (Mr. Chaplin) of what he supposed was a suggestion emanating from this quarter of the House as to the payment of our debts and the settlement of the $300,000,000. The ex-Minister of Finance (Sir Henry Drayton) referred to the same matter. The question is asked: "Why do we not issue our own promises to pay or Dominion notes for the amount of the debt and wipe it out that way?" And that suggestion is ridiculed. I admit that generally speaking such a practice is a very foolish one, but there might be conditions under which it could be carried on not only with impunity but with profit. I discussed this matter last year with Professor Irving Fisher, one who, probably, has made a closer study of it than any other person on the American continent. I asked him particularly as to the propriety of such a practice, because I could see very serious disadvantages in it, as no doubt everyone else can; and he said that the advantage of it depended wholly on conditions. I do not wish to go into the matter any further than to say that while the practice is not always a wise one, there are nevertheless certain conditions under which it might profitably be indulged in under proper regulations.

Mr. VIEN: Did he define the conditions?

Mr. GOOD: Yes, but that is a matter which I shall deal with in another debate.

Mr. MARLER: What practical knowledge had he of the situation? Had he any practical interest?

Mr. GOOD: I believe so, yes. At any rate, I quote the opinion as that of a man of authority who has studied the question.

Mr. MARLER: Theoretically.

Mr. GOOD: There is only one other matter I want to deal with in this connection. If we were to present to any of our bankers what is admittedly a questionable method of financing, they would hold up their hands in horror.

Mr. MARLER: Because they know their business.

Mr. GOOD: They would say, "Let us do it in the regular, orthodox and proper way". I want hon. members to figure out how the banker does it in the orthodox and proper way. Here is a loan of $300,000,000. How much of that will be inflation?—if we use that term, as it has been used, perhaps improperly. How much of it will be new money and how much the absorption of purchasing power already in existence? Let me suggest what the banker might do—and I submit that he often actually does it; it was done during the war time and time again as can be proved. He may take $100,000,000 of that sum out of existing purchasing power and put $200,000,000 of new money with it, and the country will not see the $200,000,000 of new money because the other is put up in front of it, as was said last year, as a smoke screen; and that will be done not necessarily deliberately but perhaps unconsciously. Here is the very practice we object to, and rightly, in the printing of paper money without limit or regulation; and yet we allow our bankers a free hand in this matter, to inflate or deflate credit without regulation. That is the trouble and that is what may happen.

In conclusion, I would again urge upon the Acting Minister of Finance that he seek

expert advice in this matter and consider the situation very carefully before he launches out this fall on a programme of floating loans. And I would emphasize once more the importance of his obtaining competent outside advice. In saying this I wish to cast no reflection whatever upon the personal character, the integrity or the faithfulness of those who are associated with the minister; but I am satisfied, and I say it in the kindliest spirit, that his deputy is quite incompetent to advise him in a matter of this nature.

Mr. ROBB: First of all, let me say in reply to my hon. friend from South York (Mr. Maclean) that there is no question affecting our Canadian life that deserves so much attention as the consideration, when the time is opportune, of the question of consolidating the public debt and reducing if we can the interest we have to pay. I will keep the hon. gentleman's observations in mind. As to the remarks of my hon. friend (Mr. Good), I want to disclaim any pretensions to the expert knowledge of a financier; as hon. gentlemen know, I am carrying on the work of this office in the temporary absence of the Minister of Finance (Mr. Fielding) whose illness we all regret. However, in justice to the Deputy Minister of Finance I must say that I have never found any more loyal or willing public servant than the gentleman who serves this country in that capacity. He has been in the service of Canada since he was a boy.

Mr. GOOD: I did not say otherwise.

Mr. ROBB: He has grown up in it and is conversant with all its details. He is a most careful public servant and he could not look after the finances of the country more carefully if they were his own; every penny he has charge of is a prisoner. He is honest, he is sincere, he is loyal to his chief, no matter who that chief may be; and he works during the session fourteen, fifteen and sixteen hours every day.

Mr. PARENT: Like members of parliament.

Mr. ROBB: Perhaps. I would add this on behalf of the deputy minister. I believe there is no department where more free advice is handed in than the Department of Finance. Every day some person comes along telling us how to run the finances of the country, and the deputy minister gives a very sympathetic ear to all suggestions, and is always ready to listen to better methods of financing our national affairs.

[Mr. Good.]

Mr. SPEAKMAN: Mr. Chairman, I agree with everyone who has spoken on the subject in describing this as perhaps one of the most important subjects, if not the most important, which has come before us, and particularly before the Acting Minister of Finance this session, because it is very evident that year by year we are not only finding it difficult to repay our indebtedness, but that indebtedness is gradually increasing. This condition of affairs cannot go on indefinitely. I would suggest that in refunding our indebtedness we should take into consideration the purchasing value of the money at the time the loan was made. Undoubtedly a large part of our indebtedness was contracted when a dollar would buy a very limited quantity of goods, that is, when goods were at a very high price level; the debt is being repaid when goods are at a comparatively low price level. The result is that the individual or the country that made the original loan is receiving practically double the amount of money in repayment. This applies within the nation, and it applies internationally. As debts are refunded on the old basis, the creditor is receiving greater and greater value with the receding price level of goods. I believe that is our difficulty. Eventually I presume most of our indebtedness must be repaid in goods in one form or another, if it is to be discharged at all. When we find that at the time the money was borrowed $100, for example, would buy 100 units of goods, and that now we have to pay 200 units of goods in discharge of that $100, it is evident that the situation becomes almost impossible.

Mr. GOOD: Under those conditions might it not be advisable to have such an inflation as would lead us back to the price level existing at the time when the debt was incurred?

Mr. SPEAKMAN: I have considered that point a little. I do not pose as a financial or economic expert, I simply see the problem, and I concede that if you could bring about inflation to that extent, and could then pay off your indebtedness, it would undoubtedly be an advantage to you. Whether that would be possible or not is a very different matter. As I understand it, many of the debts were contracted in purchasing credits, especially as between one country and another, so that the loan was actually paid in goods. Therefore the individual or country that loaned the money originally is actually being repaid twice over. I am quite aware that it is impossible for every government to say: "We will reduce the refunding amount so that it equals in

approximate value the value of the loan at the time when we received it," because that amounts practically to repudiation of the obligation. But I do believe that in the interests of ourselves, and in the interests of the nations, the time will come, and the sooner it comes the better, when a real economic conference will have to be called together to study suggestions for the refunding of indebtedness. This conference should be composed of representatives of the various interests concerned, of those who loaned the money and those who, through taxation, must repay the loan, and these representatives would eventually, I trust, be in a position to recommend an equitable basis of settlement. Because, frankly, Mr. Chairman, as I study the subject year by year—and I admit that I have studied it much more closely during the last three years than I ever did before—I am concerned as to what the future holds for us in that respect. I am no alarmist, but I am alarmed when I consider what must be the inevitable outcome of this continual refunding with its corresponding increase of our indebtedness. I believe that the grave importance of this problem will be borne in upon every business man in this country sooner or later. I believe that eventually we will have to state our terms of repayment in the value of goods and not in the face value of dollars, so that the lender will receive back the same purchasing power which he loaned. There is nothing unfair in such a proposition. If a man loans enough money to buy a suit of clothes, in equity if he is paid back a sum of money sufficient to buy him the same quantity of goods he is fully repaid. This may be considered bad financing but to my mind it is sound financing, and I believe it is the only system of financing that is going to stand up in the future, the only system that will enable us to discharge our obligations. I am not suggesting that the Acting Minister of Finance should attempt to put my suggestion into practice now, but only after consideration by a conference on the lines I have indicated. I am convinced that this problem will have to be taken in hand, and the sooner it is dealt with and solved the better it will be for us and for our future.

Mr. H. E. SPENCER (Battle River): Mr. Chairman, my sympathies go out sincerely to the Acting Minister of Finance. I appreciate that he has probably the most trying portfolio in the gift of the government: he is responsible for all moneys paid out and for all moneys coming in. It is for that reason that such debates as we are engaged in to-day are, in my opinion, the most important that can come before this House, and I was very sorry indeed to hear the hon. member for Marquette (Mr. Crerar) say that we were wasting time. All over the world debts are growing very rapidly. Europe to-day is in an awful condition economically and financially, and only two countries are really holding their heads above water. France, as we know, with a national wealth of sixty billion dollars, has a national debt of sixty-eight billion dollars.

There has been some criticism of what are termed the unorthodox suggestions put forward in the course of this discussion. When similar suggestions were put forward two years ago many members walked out of the House. To-day I am glad to see greater interest in these suggestions, and I congratulate those members who have given them a very fair hearing. We can make a great mistake in being too orthodox; there comes a time when you have got to be a little unorthodox and explore new means and ways of doing things. If five hundred years ago people had discussed in parliament such things as the flying machine, the telephone, the gramophone, radio and the other wonderful discoveries which we now have, they would have been placed in asylums or in prisons. We have been following on certain lines of orthodox finance for a long time; to-day there is a very large school of thought throughout the world which realizes that the orthodox school of finance has got to go.

There is not the slightest reason why when this matter is brought forward even the Acting Minister of Finance should refer to our suggestions as Russianizing our currency, nor is there any reason why other hon. gentlemen should refer to them as wildcat schemes. The minister does not seem to realize that the small group in this House who are putting forward these suggestions are his best friends. Unfortunately he does not appear to think so. But coming back to the main question, I understand that to-day the annual interest on our national debt amounts to just about as much as the entire yearly cost of running the country previous to the war! That is something we have to recognize as a very serious subject to consider. I was much pleased with the way the hon. member for Red Deer (Mr. Speakman) handled this subject a few minutes ago. This country is suffering under a tremendous load of taxation, and one of the reasons is that we have to-day bonds issued exempt from taxation to the amount of $931,512,900. It is because of these things that we are very anxious to help the Acting Minister of Finance cut down expense and get money cheaper if possible. The Acting Minister of

Finance may not wish to accept some of the suggestions put forward this afternoon and this evening, and I do not blame him for not accepting them right off. But I have something to suggest which is along more orthodox lines which I trust he will consider. He led the House to believe this afternoon that the loan that is going to be made will carry interest at 5 to 5½ per cent.

Mr. ROBB: No.

Mr. SPENCER: I shall be glad to be corrected if I am wrong.

Mr. ROBB: I made no such statement as to the rate of interest.

Mr. SPENCER: Does the minister expect to get it at less than 5?

Mr. ROBB: I do.

Mr. SPENCER: I am glad to hear that. Possibly he does not expect to get it at less than 3½. I was therefore going to suggest that we have an excellent way of getting money at 3½ per cent, probably as much as the government wishes. If he cared to offer 3½ per cent—or, if the minister wishes, 4 per cent—through the post office savings. Why not throw the gates open as it were, and let the money come in, with the guarantee of the government, thus obviating the necessity for issuing bonds, the country would be saved many thousands of dollars in interest, perhaps millions.

I was glad to see the ex-finance minister (Sir Henry Drayton) take part in this debate to-night. He has seen fit not to take part in these debates in the last two years, though he knows a great deal more about this subject than I think he cares to give the House. I regretted the suggestion he made that any one thought for a moment of issuing paper to pay for a two billion dollar indebtedness at once. The whole thing is absurd.

I would like to quote just a few lines from a speech made by the Hon. Reginald McKenna, of London, England. He said:

> If banks increased their loans and investments, the results would be to increase the aggregate amount of their deposits but to add nothing to their cash resources.

I quote that because the statement I made this afternoon was not accepted, I think, by some hon. members. Referring to the meaning and importance of monetary policy, he said:

> One man may tell you to increase it indefinitely, and keep trade booming, but if you do, prices will soar indefinitely. You will first suffer innumerable social evils, and finally the extreme depreciation of your currency will greatly impair your power to trade.

[Mr. Spencer.]

That, of course, was the case in some of the European countries.

> Someone else may urge you to reduce the amount of money, and bring down prices to the pre-war level, or to such other arbitrary level as he happens to think the right one.

That was done in this country, with this result—I quote from Mr. McKenna again:

> Yes, and trade will remain depressed, and unemployment will be with you all the time. Moreover, the burden of the national debt with the higher value of money will become intolerable, and no chancellor of the Exchequer will be able to balance his budget.
>
> I think it will be generally accepted that if the price level be unchanged, an increase in the volume of trade will require an increase in the volume of bank credit and currency, that is to say, of money.

I quote these few words because I think it is just as well when hon. members deal with this subject in a rather unorthodox way that we should be able to place before the House quotations from men in such high positions as the Hon. Mr. Reginald McKenna as one supporting the views that we hold.

Mr. IRVINE: It is very gratifying to note the interest that has been shown by the discussion of this resolution. I am aware that the House is not prepared to listen to any academic discussion of the finance question. I have tried that before on one or two occasions and I am satisfied that most hon. members are not even interested and are pretty well convinced that the finance system in vogue throughout the world is the best that is possible. They are just as much convinced of that as they were that the Bank Act was the best bank act in the world last year. Fortunately for them and for the world a revelation of the weakness in the case of national finance has not been brought about so speedily and in as clear a manner as it was in the case of the Bank Act, but I believe that a similar awakening is just as surely coming. There is no evidence that the Acting Minister of Finance anticipates anything different in the way of financing from that which has been in vogue ever since Canada had any financing to do, the road being followed must lead directly to disaster not only to Canada but to all nations following the same course. What is the end of the road? The end comes when you cannot tax your people any longer to pay the interest on the bonded indebtedness, not to speak of paying the bonded indebtedness itself. A number of nations are almost at the end of the road now. We are fortunate in having been a new country with tremendous natural resources, so that perhaps we may on paper look a little better than other nations. But we are following exactly the same road and in proportion to our ability

to pay we are not so very far behind some of those European nations which have brought themselves to a state of bankruptcy. While I am not going to follow that point to any length, I think it is necessary to emphasize the fact that this parliament is complacently launching another $300,000,000 loan on the same old basis, and in the same old way, in spite of all that has been presented to this House, in spite of all the evidences pointing to the wisdom of taking another course that come from other nations which are approaching financial catastrophe. I know it is a popular thing to say, "It is all very well to talk like that, but what do you suggest?" One or two of us make a suggestion, and then you laugh. I am prepared to say that it is very unwise for any one to make a detailed suggestion on the floor of the House in the circumstances in which we are now placed. Are we simply to go on blindly because no individual member can stand up here and give a detailed outline of a new financial system that will carry us into safety? Is there nothing we can do? Have we reached the last resort, and that to continue with a system that every one knows to be wrong? I want to make two suggestions, Mr. Chairman, both of which I believe to be practical. The first suggestion is for the appointment of a committee, which suggestion has been made, I believe, by another hon. member.

The CHAIRMAN: I would draw the hon. member's attention to the fact that the question of a committee is not before the House.

Mr. IRVINE: But the question of raising $300,000,000 is before the House.

The CHAIRMAN: That is true, but not the question of a committee to deal with that matter.

Mr. IRVINE: I am not going to argue your ruling at this moment, Mr. Chairman. I was just going to point out that the manner in which that $300,000,000 is to be raised might be in order, but if I am ruled out of order I will abandon the discussion of it.

The CHAIRMAN: The manner and expediency of raising the loan is in order, but not the question of the advisability of appointing a parliamentary committee to deal with the matter.

Mr. IRVINE: Being ruled out of order in presenting another possible means of raising our debt, I am practically shut off and must look for another opportunity to put that practical suggestion before the House. However, let me point out one or two other things since I have been stopped on that angle. I was glad to hear the hon. member for Red Deer press a very interesting and I believe a very important point. Surely if we are going to attempt to pay back our debts—of course it is impossible to pay them back, but as long as hon. members think we can do it I have no objection to their holding that joyous opinion—but if there were any serious attempt to pay our debts, then the point raised by the hon. member for Red Deer when he urged inflation so as to bring the purchasing power of the dollar to what it was when the debt was contracted is surely a practical one. I notice that the ex-Minister of Finance attempted to answer a suggestion made from this side of the House and in doing so held that the government could not issue its own credit or recognize its credit in monetary form, because in paying back their debts that way they would have so much money they would not know what to do with it. It seemed to me that the ex-finance minister actually thought he had cleared the field when he had made that remark, that there was nothing else to be said. I am sorry he is not in his seat, and I shall not in his absence say all I wanted to say of his reasoning on that point. I will be satisfied to say that in my opinion it was not an argument at all, and if I did not believe that the hon. member who made it knows far better than that, and can do much better, I would not have as high an opinion of his statesmanship as I have.

I regret, Mr. Chairman, that what I rose to say has been ruled out of order, but I believe nevertheless that there is a better way, and a more practical way, of raising this $300,000,000 than by the method that is suggested in this resolution. I believe that to follow the old method of piling up interest and pyramiding our debts must lead ultimately to a crash. I believe that it is possible to avoid that, but that it is only possible to avoid it by adopting a method that has never been used before; and the necessity for adopting a method that has never been used before arises because of the fact that we are face to face with a situation that never confronted Canada, never confronted the world before. I say that to go on in the same way, ignoring a new set of conditions, ignoring the piling up of debts that never can be paid, is to acknowledge the inability of this parliament to face the problem that stands before us.

Mr. ARCHAMBAULT: Is my hon. friend referring to a method that has never been tried anywhere before?

Mr. IRVINE: Certainly.

Mr. ARCHAMBAULT: Nowhere in the world?

Mr. IRVINE: Exactly.

Mr. GARLAND (Bow River): It has to be started somewhere.

Mr. IRVINE: That brings to my memory the fact that the finance question is no longer a Canadian question; it is an international question. We are following exactly the same method that Russia is following. Russia is thoroughly orthodox in her financing. She is on a gold basis, if you please, only she is much more reasonably on it than we would be were we to announce our return to that shibboleth. Russia's financial position is set forth in the financial papers.

Mr. PARENT: Where does the hon. gentleman get his information?

Mr. IRVINE: From Russia. Where did you get yours, if you want to controvert it? There is no doubt in the world that Russia is on the gold basis. The point I want to make is that it is very difficult for any one nation to take a new course except all the nations, or the most important nations of the world, are ready to help and take that course also. Finance is an international problem, and that leads me to the point I wanted to suggest when I was ruled out of order on the second head and that was the calling of an international conference to deal with this matter.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 217, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to and bill read the first time.

SUPPLY

MINES AND GEOLOGICAL SURVEY

The House in committee of Supply, Mr. Gordon in the chair.

Mines and Geological Survey—for organization and equipment of the Explosives Division under the Explosives Act, chap. 31, 4-5 George V, $10,000.

Mr. CAMPBELL: Would the minister explain this vote?

Hon. CHARLES STEWART (Argenteuil) (Minister of Mines): This is for the purpose of inspecting the manufacture of explosives and testing them to see if they are up to standard, so that the purchaser when he buys explosives that have been inspected will know that he is getting value. This branch also inspects the premises where explosives are manufactured. Those are the two chief duties of this particular branch.

Mr. CAMPBELL: That would be explosives used in the mining industry?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Where does the reduction apply?

Mr. STEWART (Argenteuil): We proposed purchasing a cannon for testing purposes, but we did not purchase it on account of not having a suitable building in which to instal the machine, and we have cut the vote $2,000 on that account.

Mr. MEIGHEN: I do not understand the explanation.

Mr. STEWART (Argenteuil): We have to have various machines for testing purposes. In this particular case there was a building in which we were testing explosives. We are unable to go on with the work this year, and for that reason we are dropping $2,000.

Mr. MEIGHEN: Is it the case that a certain type of testing has been going on, but it is not being gone on with now because the appliance is not suitable?

Mr. STEWART (Argenteuil): We have not been going on with that type of testing.

Mr. MEIGHEN: How much was spent last year of the $12,000?

Mr. STEWART (Argenteuil): We spent $7,881.38 last year. We need a certain amount of money because prosecutions are frequently necessary, but we do not propose to spend any more money than we have to. We are asking for what we think will be a sufficient sum to enable us to carry on the work of the department.

Item agreed to.

Mine branch—for investigation of mineral resources or deposits; of the mining and metallurgical industries and of mineral technology; wages, expenses of testing and research laboratories; investigations by, including salaries and all other expenses of, Dominion Fuel Board, $200,000.

Mr. MEIGHEN: Has any progress been made in testing any new fluids for ores. That is to say, in order to avoid the necessity of submitting to the exactions of the combine which has command now of the oil separation system, has any progress been made in getting a new system of separating ores? I know there were some tests made. That is mainly what this is for.

Mr. STEWART (Argenteuil): There have been various tests, but I do not follow my right hon. friend's direct question.

Mr. MEIGHEN: As I understand it the mineral separation business is pretty well under an American combine. They have the patents on the oil separation system. It is an oil fluid that is used in lead ores and other ores. These are all ground up very fine like flour and then they are put through this process which separates the metal. The department was testing the value of certain other combinations or compounds to take the place of oil with the view of getting cheaper separation in Canada and relief from the American combine. Has any success attended the efforts?

11 p.m.

Mr. STEWART (Argenteuil): Yes, the tests are going on and pamphlets have been issued setting out what has been accomplished in this connection.

Mr. MEIGHEN: I remember particularly that the late Sir William Mackenzie was interested in another plan for separating metals which it was hoped would give us relief against the oil separation system. I know that his scheme was being tested out. What has been the ultimate result of all that?

Mr. STEWART (Argenteuil): Is my right hon. friend under the impression that the system was being tested here in the laboratory?

Mr. MEIGHEN: I know it was because I went down to see it once.

Mr. STEWART (Argenteuil): I confess I never heard of Sir William Mackenzie's scheme and I have been down to the laboratory half a dozen times.

Mr. MEIGHEN: The late Sir William Mackenzie was interested in it, I forget the name of the inventor. No oil was used, it was a new system. It was rather promising at one time and I was wondering if it had succeeded.

Mr. STEWART (Argenteuil): I cannot get any information from the deputy with respect to the particular test that my right hon. friend has referred to. Of course we are testing everything that comes to light as well as trying out improvements right along.

Mr. MEIGHEN: The testing that is done under this vote is testing as to the gold content or the silver content of an ore, and so on. This was another test that was being made, and I thought the deputy would know about it. How much of the $200,000 was spent last year?

Mr. STEWART (Argenteuil): We appear to have only spent $148,756 last year, but it is partly accounted for by the fact that our Fuel Board did not get under way until nearly half the year had passed, and this year our estimates are made up as follows:

For investigation of mineral resources or deposits, of the mining and metallurgical industries, and of mineral technology; wages expenses of testing and reasearch laboratories, $200,000.

Summary

Division of Mineral Resources..	$37,000
Ore Dressing and Metallurgical division.. ..	40,000
Fuels and Fuel Testing division including special investigations to be undertaken under authority of Dominion Fuel Board..	70,500
Salaries and expenses of technical executive officer and clerical assistants under the Dominion Fuel Board..	5,000
Ceramic and Road Materials division..	14,500
Contingencies..	3,000
Dominion Fuel Board investigations..	30,000

Mr. McQUARRIE: Is the minister aware of the proposal which is being discussed in the United States to impose a duty of six cents a pound on copper ore entering that country? The minister is no doubt aware that the entire copper production of British Columbia goes to the United States, and if this duty is imposed it will have the effect of practically closing down all the copper mines of British Columbia. I understand at the present time the total production is something like 50,000,000 pounds a year, and that in order that a refinery could be carried on profitably it would require a production of at least 100,000,000 pounds a year. Does the government propose to do anything to meet this situation? I suppose I should not use the objectionable word "retaliation". I got into trouble for using that on a previous occasion, but it seems to me if this kind of thing continues the government will have to do something. I will be very glad to hear from the minister in this connection, because the people of British Columbia are very much interested in the subject.

Mr. STEWART (Argenteuil): I am aware that there is a discussion in certain circles in the United States with reference to the imposition of a six cent tax on copper. However, that has not gone into effect, and it is not likely that it will go into effect, because I do not think under the provision in the tariff which permits the President to take action anything will be done with regard to a matter of this kind. One could not help realizing that it would be a very serious blow to the

mining industry in Canada, not only in British Columbia, but other places where a good deal of copper is taken out. We hope to secure on the continent a market for our product of copper, but my hon. friend knows that it would not be well to be too hopeful at the moment on account of conditions there. A private member of course may talk about retaliation, but I fear that a minister had better keep away from the subject.

Sir HENRY DRAYTON: Does the minister really think he should talk in that way, no matter what happens? We have had a multiplication of taxes against Canadian industry and against Canadian agriculture; but the answer is that it makes it all the easier to trade here. Instead of any talk of retaliation on the part of Canada, if my hon. friend runs true to form, he will come down with a proposal to still further reduce duties on American importations into this country. I would never think that if he were a private member he would talk that way. If we can sell no copper ore whatever in the States, and if my hon. friend will simply carry on in the way we are carrying on at present, that will be an additional reason for further reduction, and for further paens of praise to my hon. friend that another death knell to protection has been sounded.

Mr. SIMPSON: I notice that a portion of the item is for the purpose of investigating mineral resources or deposits in the particular sections where the investigations are being carried on.

Mr. STEWART (Argenteuil): The sum of $37,000 is for the investigation of mineral resources. That does not mean that we only spent $37,000 out of the total vote of the Mines branch, because all the geological work was being carried on by the department in the interests of the mineral resources.

Mr. MEIGHEN: Is the minister ready to announce the new Canadian national fuel policy to-night?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: The session is getting on pretty well.

Mr. STEWART (Argenteuil): It will have to be a separate matter.

Mr. MEIGHEN: I do not want the government to overlook this matter. The hon. member for North Toronto (Mr. Church) early in the session moved a resolution calling upon the government to put into force this new national fuel policy for Canada, and the government in order to get rid of the resolution accepted it; so that it is for them to announce it. I have not bothered the government on the subject since. We have waited patiently in daily expectation of hearing the national fuel policy announced. We are asked to vote $200,000 more to the Fuel Board without any policy.

Mr. STEWART (Argenteuil): It is not the Fuel Board.

Mr. MEIGHEN: The Fuel Board is being paid out of this. Surely we should have the policy, especially when the government promised to bring one down.

Mr. STEWART (Argenteuil): I may say for the information of my hon. friend that this vote has nothing to do with this policy. It is for investigating fuels which we have in Canada, and the use to which they can be put. A national policy, of which my hon. friend speaks, is of a different character altogether. We are testing our own fuels here to ascertain the best methods of adapting them for use in Canada.

Mr. MANION: What has been the outcome of the peat investigation, about which we used to hear so much? Is there any possibility of peat being used?

Mr. STEWART (Argenteuil): That investigation was carried to the point where peat was manufactured and sold on the Alfred bog; a type of machinery was developed which could manufacture it quite economically. That investigation was carried on in conjunction with the government of Ontario and both that government and this department felt that the point had been reached where peat might be manufactured with facility. I will not say however that the work has been completed because I am afraid that some engineers would suggest that better methods might be used; there is one engineer in this city for instance who thinks that we are not on the right track. The method adopted at Alfred was air-drying, spreading the peat on the ground and allowing it to dry in that way. The manufacture of peat at Alfred was accomplished to the satisfaction of both governments and now it is a commercial possibility if any one wishes to take it up. At the moment there is a company trying to float bonds to go on with the industry on the Alfred bog.

Mr. MANION: I have not heard much about the matter in the past couple of years. In this government's opinion is it a success or a failure?

Mr. STEWART (Argenteuil): The production costs were about $3.50 per ton at Alfred. The freight charges are fairly high and I doubt whether peat could be shipped more than 100 miles to come into competition with coal. As a substitute for coal however for the fall and spring season in Canada it is quite good and burns freely, and it sells at about the same price as coal.

Mr. MANION: Has it been used in Ottawa at all?

Mr. STEWART (Argenteuil): Yes. There has been manufactured a quantity of about 15,000 tons at that plant.

Mr. MANION: There has been a good deal of discussion about the settlement of the coal question, and there is evidence on the part of the people generally a desire to use Canadian coal as far as possible. I know that at the head of the lakes, from Winnipeg east to Fort William and Port Arthur, we have been using for a long time with satisfactory results coal brought from the western provinces. The question arises as to the possibility of shipping that coal to eastern Ontario, and rather strangely, I have hardly heard it suggested that the coal might be transported, not by rail entirely, but by water east from Fort William. I know of course that most of the boats that come from the head of the lakes carry grain, but I think there are seasons in the year when these boats might be employed carrying some of the coal of the western provinces to eastern Ontario. I should think that in discussing the question of the route by which this coal should be transported from the prairie provinces to the East there should be considered the possibility of conveying it by boat from the head of the lakes. To-day most of the American coal is carried part of the way to the western country by boat. Take for example the Canadian Pacific Railway; for a long time they have been using Pennsylvania coal which has been brought by boat to the head of the lakes and then carried by rail west. Why not reverse the process in the case of our western coal and carry it to the head of the lakes by rail and then by water transportation east. I do not know whether this possibility has been discussed but certainly I have never heard it mentioned; I have always heard the matter treated as though there were no chance of using that coal in the eastern provinces unless it were carried by rail all the way. The minister might very seriously consider the question of arranging for the carriage of western coal in the way I have suggested.

Mr. STEWART (Argenteuil): I doubt whether we can point to any shipment that has been made in that way; but nearly all the men who profess to know anything about the shipping of coal, particularly of lignite which is desirable for domestic uses in Ontario, are agreed that transhipment would break up the fuel very materially. It is held that the transportation of this grade of coal in the one conveyance throughout tends to popularize the coal inasmuch as it retains its original quality; all the experts are agreed that to tranship it on boats would break it up to such an extent that it would become slack and would deteriorate too much. However, the method suggested by my hon. friend has not yet been tried, and one cannot speak with authority until that has been done.

Mr. MANION: That is true no doubt as regards lignite. But surely in the hundreds of millions of tons of coal which we have in the western provinces—our deposits taking second place, in the coal supples of the whole world, only to those of the United States—we have a coal which will not deteriorate to any appreciable extent in transhipment. Do I draw the conclusion from the minister's remarks that we have not in the prairie provinces a coal that can stand transhipment at the head of the lakes?

Mr. STEWART (Argenteuil): I am merely saying that in all the discussion that has taken place so far with respect to the bringing of coal from Alberta to Ontario—I am speaking of the domestic supply—the two main fields that have been exploited are Drumheller and Lethbridge as well as, to some extent, Saunders Creek, west of Red Deer. The bituminous coal could be shipped anywhere in any kind of way; you could dump it as many times as you liked without destroying it. But the coal which the Ontario people are anxious to secure and which the Alberta people are desirous of disposing of is the lignite which is burned in domestic furnaces; and if that coal is broken up or slacked to any extent it is not so valuable. There is no doubt that the ideal method of transporting it is to ship it in the same conveyance from point of loading to destination. However, until the other method is tried one can hardly speak with definite authority as to how far deterioration will take place.

Mr. MANION: In view of the minister's remarks it might be well to ascertain how far it is desirable to handle some of that coal by rail and water.

Mr. STEWART (Argenteuil): The traffic, as hon. gentlemen know, is all moving in the same direction. If the coal were going in the

opposite direction to the wheat our problem would be an easy one, but the difficulty is increased a hundredfold by the fact that it has to be moved in the same direction as the wheat. There is a time, from the middle of May until the first of September, when there is a diminution in the rail haul of produce from the West and when consequently there are more cars available. Fortunately that is the time when the mines are at their lowest point of production on account of market contions. But would that apply to the lakes?

Mr. MANION: I agree absolutely with the suggestion of the minister. It is exactly what I am pointing out, that there is a time in the middle of the summer when, it seems to me, it would be possible to make such an experimental test as we are suggesting. We have our Canadian Government Merchant Marine, and a number of the boats are laid up. It appears to me therefore that it would be a worthy project for the government to take one or more of these ships to load western coal from the head of the lakes for Ontario points. Surely some of those western coals would stand transhipment. There must be a time when it is profitable for such coal to be brought east by rail to the head of the lakes, because to-day we are using much of this western coal as far east as Fort William and Port Arthur. All the coal dealers at the head of the lakes advertise western coal, and a considerable quantity of it is used locally. I believe that we have been too much oppressed with the belief that we must have anthracite coal for our stoves and furnaces. But in the last few years when there has been difficulty in getting Pennsylvania anthracite, and consequent high prices for it, the people at the head of the lakes and west have been using soft coal from the prairie provinces and from Pennsylvania. For example, Pocahontas has been used very much during the last year or two with very satisfactory results. If I may be excused for reciting my own experience, I had always used Pennsylvania anthracite, but last winter I used Pocahontas, with much more satisfaction than I ever got out of anthracite. Pocahontas is, of course, an American coal, but I believe that in the western prairie provinces we produce coal at least equal in heating value to Pocahontas, and it is claimed that we produce practically an anthracite coal. So it would appear to me to be a very worthy proposition for the minister to take into consideration the feasibility of bringing forward some of our western prairie coal by rail to the head of the lakes for transhipment by boat to eastern Ontario points.

[Mr. C. A. Stewart.]

It would also appear to me to be worth while considering the advisability of bringing coal from the section familiar to my hon. friend the Minister of National Defence (Mr. Macdonald). Nova Scotia coal could be shipped by boat to central Ontario points. During the past year or two we have been using Welsh anthracite, which is a very satisfactory coal from what I have heard, and surely if we can afford to bring over Welsh anthracite for profitable use by the people of Ontario, it must be feasible to supply the same market with Nova Scotia and western prairie coal. I submit that the minister would be acting very wisely as a representative of the government if he used some of our government mercantile marine ships for trial shipments in the way I have suggested, with a view to our being able to dispense with American coal which we are importing in such large quantities at the present time

Mr. MACDONALD (Pictou): Mr. Chairman, I am very sympathetic with the views expressed by my hon. friend from Fort William and Rainy River (Mr. Manion) in regard to utilizing our own coal supplies as far as possible. Curiously enough, our coal fields are placed at either end of the Dominion, and for years the central part of Canada has relied on the United States for its fuel supply. The stringency that has arisen of late years in the anthracite supply from the United States has given rise to the idea which my hon. friend has expressed. I hope it will be found possible to carry out his suggestion, but I want to point out to him a difficulty in respect of the proposition which he makes to my hon. friend the Minister of the Interior (Mr. Stewart) to bring coal to the head of the lakes for transhipment by boats of the Canadian Government Merchant Marine for central Ontario points. The cost of carrying coal in steamers which are not specially fitted for the purpose becomes so great that the price of the coal to the consumer will be prohibitive. The Nova Scotia coal which supplies the St. Lawrence river market is shipped in boats specially fitted for the reception and discharge of the cargo by the most modern equipment, so that the cost is reduced to a minimum. I understand that the subject has been gone into by those in eastern Canada who are interested in the cheap transportation of Nova Scotia coal, and their opinion is that none of our government merchant marine boats have the requisite facilities for the carriage of coal.

Mr. MANION: What is the difference in their build that makes them unfitted for this traffic?

Mr. MACDONALD (Pictou): It is not so much a question of build as of equipment. The steamers which carry coal from Nova Scotia up the St. Lawrence were all constructed in England and are equipped with the most modern facilities for loading and discharging their cargo. This results in reducing the cost of operation to a minimum. The whole thing is a question of cost; unless you can put your coal into a boat and take it out again at a figure so low that the consumer is not going to be taxed abnormally in the price he pays, then water transportation ceases to be a factor. Then again there is the difficulty of bringing coal two thousand miles to Fort William, dumping it into ships and taking it out again, which means three or four handlings of the coal before it reaches the consumer. But if it be possible to work out a system by which coal could be dumped into a freight car at Alberta and brought direct to the point of delivery in Ontario, you would have a feasible proposition.

Mr. MANION. I appreciate the remarks of the hon. minister. At the same time I have been watching coal handled at the head of the lakes for the past twenty-five or thirty years and I have noticed nothing very difficult about it. All it amounts to is this,—the freighters carry wheat east as a rule and coal west, and they are simply large boxes, with no special apparatus except a derrick operating clam buckets. Any steamer may be used for shipping coal so long as it has open holds. Take for example the American coal which is shipped from the Pennsylvania mines to the head of the lakes and west, even up to the present time much of that coal is taken up in the large freighters which come east with grain

Mr. MACDONALD (Pictou): That is anthracite.

Mr. MANION: Not only anthracite, but a great deal of soft coal, too. It is dumped into these boats for Fort William or Port Arthur, taken out by the clamshell buckets, dumped on the docks and there transhipped to trains and carried west. A Canadian Pacific official told me one time that it had been taken west quite a few miles past Winnipeg to be used by the Canadian Pacific.

Mr. CARROLL: They do not use anthracite.

Mr. MANION: No, the engines use the bituminous coal, but it is Pennsylvania coal, and there is no reason why western coal should not be dumped into these same shell boats and shipped east, or why Nova Scotia coal should not be brought by the same type of boat to central Ontario. The only difficulty would be in the canals, and there are small boats of the scow type which could be used for that purpose. During certain seasons of the year, as suggested by the minister himself, when the coal mines are working at their lowest and the steamships have the least to do, coal might be shipped from the prairie provinces to the head of the lakes, dumped into some of these boats such as the ones that now handle coal, and unloaded at Toronto or other points where they have the appliances for unloading. It might be worth while considering the possibility of doing something of this kind so that we can use our own Canadian coal instead of the large quantities of American coal that we have been importing during the last few years.

Mr. MACDONALD (Pictou): I am very much in sympathy with my hon. friend's idea, but the whole difficulty is one of cost. American coal can be delivered on board ship at lake Erie ports at $2.50 a ton and carried to Fort William; it can stand the extra handling and the extra cost of handling.

Mr. MANION: What is the answer about Welsh coal?

Mr. MACDONALD (Pictou): That comes from England, and on account of the depreciated currency there it is produced at a lower figure than coal can be produced in Alberta or Nova Scotia.

Mr. BROWN: Does that come as ballast too?

Mr. MACDONALD (Pictou): It frequently comes as ballast. On the other hand the initial cost of the coal that comes from Drumheller or Lethbridge, put upon the cars, is at least $4.50 a ton as compared with $2.50 on board ship at lake Erie ports. My hon. friend's idea is a good one if he does not want to break bulk at Fort William. If some assistance could be given, as was asked by the Alberta government, so that the coal could be transported to London, Toronto or Ottawa by one continuous passage in a car, we might accomplish what my hon. friend desires. But the extra cost of two or three handlings is such that the ultimate price to the consumer is very high. My hon. friend and I do not disagree; we aim at the same thing, except that I do not think the Alberta coal would stand the extra cost and the extra handling at Fort William.

Mr. MANION: I am told that coal can be handled from the Pennsylvania mines right up to the Great Lakes at a boat freight of 50 cents a ton.

Mr. STEWART (Argenteuil): The boat freight is less than that.

Mr. MANION: Well, say 50 cents; it is a small amount anyway. I see no reason why the same rate should not apply eastward, because many of these boats during the summer go, one way or the other, light. Since that coal be hauled to the head of the lakes at this rate, it might very well be considered whether it could not be handled at a dollar a ton and transhipped east. The whole discussion of this coal question seems to be based upon the possibility of the handling of coal east entirely by cars, but it is claimed by those who have studied the question much more than I have that freight rates by water are about one-sixth to one-tenth the rates by rail. From the head of the lakes east is a thousand miles and that would make quite a difference in the cost of handling the coal east.

Mr. STEWART (Argenteuil): That has all been under consideration.

Mr. MANION: I have never seen it discussed. I have heard the whole rail haul discussed, but if we can get traffic going from Nova Scotia to central Ontario and from the prairie provinces to central Ontario we could handle that coal in such quantities that the cost of handling might be very materially reduced.

Mr. TOLMIE: Will this Alberta coal not stand shipment as well as the coal produced on Vancouver Island? We ship bituminous coal from Vancouver down to tidewater, a distance of 10 or 14 miles, where it is dumped into bunkers and shipped to San Francisco. That business has been carried on for quite a number of years. British capital is very much interested in the Alberta fields and is ready to invest provided this coal can be placed in Ontario at reasonable cost. Has the department been carrying on experiments along this line and can we expect any information as to whether that is possible in the near future?

Mr. STEWART (Argenteuil): There is no information to be had, it is simply a question of freight rates, the cost of carriage. The coal we have been discussing is lignite, which breaks down rapidly under exposure or otherwise, and that is the coal that is taking the place of the Pennsylvania anthracite. Bituminous coal can be shipped and transhipped fifty times without its being destroyed, but it cannot be used for domestic purposes.

[Mr. Manion.]

Mr. TOLMIE: We use it entirely in British Columbia.

Mr. STEWART (Argenteuil): I know, but it is not used here. In Ontario we have been experimenting—in fact, we have almost passed the stage of experiment—in the converting of bituminous coal into coke. In this coke you have an ideal fuel to take the place of anthracite. Transportation costs are a very important consideration in the production of coal. As has been pointed out, coal can be landed at lake Erie ports at $2.50 a ton, and that coal will readily convert into a high grade coke at about $12 a ton. So that coke may in central Ontario very largely take the place of anthracite. Nevertheless I think there is quite a market for the high grade lignite fuel of Alberta as far east as and even east of Fort William, possibly into the Sudbury region and northern Ontario.

Mr. MANION: And Toronto?

Mr. STEWART (Argenteuil): I doubt whether the transportation costs would make its use in Toronto possible. However, that remains to be seen.

Mr. MACLEAN (York): Years ago I heard the then Minister of Railways and Canals say that a solution of this problem would be through the canalization of the country from lake Superior to the foot of the Rocky mountains. That is a very big proposition, but he had it all worked out. He said it was feasible and that it would be applicable to the transit of grain. If it is applicable to the transit of grain and would save money, it would be much more applicable to the transit of coal from the prairie provinces. I think the minister would not be going out of his way if he took that matter up with the Minister of Railways.

Mr. GRAHAM: That was the Minister of Public Works.

Mr. BAXTER: I quite appreciate what has been said with reference to the coking of coal. In my constituency, and in many parts of New Brunswick, there is unfortunately altogether too much use of anthracite coal, which is imported. We have large quantities, some in our own province, but on the whole a better quality in the province of Nova Scotia, of soft coal, which, of course, is not so desirable for use in homes, but which as the minister suggests is really the remedy if we could have something done in the way of coking that coal. We would then have a material quite equal to anthracite, and above all, it will be our own material, employing our own people,

and our money will be kept within our own Dominion. What I would like to ask is whether the government has any definite policy with reference to inducing the undertaking by any person of this process of coking. I can well appreciate the fact that many people will say: Oh, that should be left to private initiative; let it be a commercial experiment. I am inclined to think it needs something more than that, and I would like to see the activities of some department of the government back of it in order that something will be done to induce people to undertake the coking enterprise and get it on its feet. All it needs, I believe, is to get a start and it will be successful, and I believe one of the purposes for which government exists is to give a start to get a development and really to point the way to opportunities. I would like to be assured that something of that kind is being done or will be done.

Mr. CARROLL: I am glad to hear the hon. member for St. John (Mr. Baxter) take up this question, which has been more or less near to my heart for the last three or four years. I think there should be some governmental assistance, by bonus or otherwise, for the purpose of initiating in this country the process of manufacturing coke to take the place of American anthracite, which has been dominating the coal market in this country for many years. I am rather of the opinion that we have passed the experimental stage in this country. We know what coke is, and how it compares with anthracite. I would like to point out to the committee that we are being asked to-night to vote $10,000 for transportation charges from outlying provinces on ore shipments which may be sent to the Ore Dressing Plant, I presume here in Ottawa. In the same vote, we are asked to vote an item of $40,000 for publications, English and French, regarding coke and coal. I think we have had all the experiments we need, and it strikes me as very peculiar that we should spend on publications and literature on a question on which there has been much education already, four times the amount that we are spending on transportation charges from the outlying provinces, for the testing of ore shipments.

My hon. friend from Fort William and Rainy River has brought up the question regarding the transportation of coal in our merchant marine. I happen to know something about the transportation of coal, and I feel certain that the boats of the merchant marine will not be able to transport coal at fair freight rates, as they are not equipped for that purpose. They are equipped for carrying various kinds of freight and wheat, although I am not sure they are equipped for even that.

Mr. MANION: They are equipped for carrying both wheat and coal. To carry coal it is only a matter of having holes to dump it in.

Mr. CARROLL: I rather disagree.

Mr. MANION: I have seen it carried that way for thirty years.

Mr. CARROLL: I have seen them carry coal for thirty-five years, and a certain equipment is required on coal carrying boats. Equipment is necessary, for instance, to unload the coal from the boat to the pier.

Mr. MANION: You are not up-to-date down there. We do not handle it that way at all.

Mr. CARROLL: We are so up-to-date that we are carrying coal from Sydney to Montreal cheaper than any other transportation company; by "we" I mean those interested in coal.

Mr. MANION: You should bring it further west.

Mr. CARROLL: I agree that something should be done to bring Nova Scotia coal into central Ontario and Quebec.

Mr. MACLEAN (York): What about the St. Lawrence improvements?

Mr. CARRUTHERS: And the Georgian bay canal?

Mr. CARROLL: I must leave my two hon. friends to discuss the relative merits of those two projects. As a matter of fact, we have no Georgian bay canal, and we have no deep waterway on the St. Lawrence as far as Toronto at the present time.

Mr. MACLEAN (York): The United States have a big proposal before us now.

Mr. CARROLL: But it is not effective at the present time. We have all the coal we need in this country, East and West, more than we can use for three or four generations to come, and I think the government should grapple with this question in a broad and statesmanlike manner. It has been in the forefront of Canadian politics, for it is more or less a political question, for the last several years, and we have had experiments until I am getting tired of them. I want to see something done now. I want to see the Department of Mines, and if that department is not strong enough to take a forward step in this direction, I want to see the government of this country make this a national question. We are sending hundreds of mil-

lions of dollars out of this country into the United States every year for the purpose of bringing in anthracite coal, and we have in this country all the coal we need, and if this coking process was adopted, we could use our own coal instead of anthracite without much disturbance in this country, and I say that after having given this question some consideration. I think it is up to the government to take a forward step in this direction. I happened to be the chairman of a committee that took up this coal question last year, and we made a report to the House which was concurred in, but I have never heard anything about it since. I am not so very much concerned about that. Perhaps the report was wrong, but I want to say to the government of this country that so far as western coal is concerned there is only one solution to the problem and that is the question of freight rates. I have always taken the position, since we have had a Canadian National Railway, that it should carry that coal from the Alberta mines, or any other mines at cost in the West, to the central markets of Canada and in my opinion it would be good business if they did that. The present rate is $12 per ton but the railway granted a special rate of $9 or perhaps a little lower.

Mr. MANION: What about the possibility of boats carrying coal from the head of the lakes to eastern points?

Mr. CARROLL: The gentleman who did more towards developing a market for Alberta coal, especially in Winnipeg and points west of that city, stated in the committee that it would be impossible to compete with American coal on the basis of $9 a ton. The committee also went into the question of transhipping coal which came from the Alberta mines at the head of the lakes. There is a certain kind of coal in Alberta that will stand this transhipment; there is another class of coal that will not stand it. I believe the hon. member for Bow River (Mr. Garland) suggested at the last meeting of that committee, that notwithstanding the cheaper rates that might he had on the Great Lakes the cost of transhipment would far exceed the rate of $9 a ton that the Canadian National Railways offered. That is all I have to say as regards the transhipment of coal.

Mr. MEIGHEN: Could we not depend on the Lake Freights bill to keep that rate down?

Mr. CARROLL: I have heard considerable discussion as to that but I believe in the long run the cost of transhipment would be greater.

Mr. GRAHAM: Wait until we get our new bill through.

Mr. CARROLL: Coming back to the question of supplying the Canadian market with Canadian coal I consider there is only one solution of the question. First of all there is the problem of supplying the western area from the Alberta mines. In my opinion that is absolutely a question of the cost of transportation. I am one of those who believe that the railways of this country should carry that coal at cost; and if it is necessary to supply the Canadian market with domestic coal I would say the government should give them some assistance either by paying the extra cost that would permit competition with American coal—

Mr. MANION: That is good protectionist argument.

Mr. MARTELL: It is not protectionist argument.

Mr. CARROLL: I am not particular what my hon. friend calls it. I am a Canadiian and I want to see the markets of this country supplied with Canadian coal. I care not what my hon. friend calls it; whether it is a question of protection or a question of lower freight rates.

Mr. MANION: Nor am I very particular what my hon. friend calls it. We will let the hon. member for Hants (Mr. Martell) name the policy.

Mr. MARTELL: The hon. member for Hants, if the hon. gentleman will permit him to say so, is of opinion that it is a question of looking after the interests of the people of Canada. We are satisfied, if hon. gentlemen opposite will agree to cutting the duties off everything else, to let coal come into the country free. You people up here want all the protection leaving us in the Maritime provinces to be hewers of wood and drawers of water. Give us agricultural implements and other things free and we will be satisfied to have free coal.

Mr. MANION: The only protection my hon. friend wants is in Nova Scotia.

Mr. CARROLL: Well, we have not asked for any protection in Nova Scotia.

Mr. MARTELL: Would my hon. friend (Mr. Manion) recommend an increase in the duty on coal?

Mr. MANION: No, I recommend the use of Canadian coal.

Mr. MARTELL: Would you recommend an increase in the duty? Answer the question specifically?

Mr. MANION: I am willing to try any plan that will result in Canadian coal being used instead of American.

Mr. CARROLL: Now, so far as our eastern coal is concerned—

Mr. HATFIELD: Will my hon. friend tell me why it is we pay more for Sydney coal in Yarmouth than they do in Ottawa? To-day I am paying $12 a ton for Sydney reserve coal and in Ottawa it sells for $10.50.

Mr. CARROLL: My hon. friend is absolutely wrong. There is no Sydney Mines coal being sold in Ottawa to-day.

Mr. MARTELL: And there is no Sydney Reserve coal.

Mr. CARROLL: There is no Sydney Reserve coal and no Cape Breton coal is being sold in Ottawa to-day.

Mr. HATFIELD: Mr. Dawson of the Purchasing branch of the Public Works department told me this session that he could get Cape Breton—

Mr. CARROLL: That he could? Has he got it?

Mr. HATFIELD: —coal for $10.50 a ton but down at the Rotary dinner the other day a gentleman told me he was getting Cape Breton coal for $9.50.

Mr. CARROLL: I am thoroughly familiar with the coal proposition in Nova Scotia.

Mr. MARTELL: There is no such coal as Sydney Reserve coal. There is Reserve Mine coal and there is old Sydney coal. "Sydney Mines Reserve" coal is commonly advertised by western coal merchants but it is a misnomer.

Mr. CARROLL: In answer to the hon. member for Yarmouth and Clare let me say there is no Nova Scotia coal being sold in the city of Ottawa to-day. The coal that he has reference to is the Minto coal from the province of New Brunswick and that coal is being brought here at a little cheaper rate than the ordinary bituminous coal. The mine is practically on the line of the Canadian Pacific railway and I am told that in order to get freights from the mine to Montreal and Ottawa that the company carry the coal at a rate below cost and therefore successfully compete with the bituminous coal from the the United States. That is the only way it can be done. I hope my hon. friend (Mr. Hatfield) will take my word for that.

Mr. HATFIELD: The statement was made to me by Mr. Johnston. And I cannot understand why the hon. gentleman insists that nobody said so.

Mr. CARROLL: The man who said so has been wrongly informed.

Mr. BAXTER: I should like to ask my hon. friend (Mr. Carroll) a question because I think he knows the coal situation pretty well. It is quite evident that the cost of producing bituminous coal in the United States must be lower than the cost of producing bituminous coal in Nova Scotia. Can my hon. friend say why that is so, or if anything can be done to remedy the situation?

Mr. CARROLL: I can explain that to my hon. friend. Although I have worked on the surface I have not sufficient knowledge of coal mining to explain the technical details as to the cost of coal production. I may tell my hon. friend, however, that the reason why the production of coal in the Virginia mines costs about 33 per cent less than it does in the Nova Scotia mines—

Mr. STEWART (Argenteuil): More than that.

Mr. CARROLL:—is because there are some mines in West Virginia where miners are not used to mine the coal. Machines are employed to burrow into the mountain side and convey the coal to the cars. In the province of Nova Scotia in some instances we have to go two miles under the sea in order to get coal at the present time, and I presume it is the same in British Columbia.

Mr. BAXTER: There are some places in New Brunswick where you would not have to go that far.

Mr. CARROLL: I do not know much about the mainland mines, but outside of the new mine just developed, at a cost of $2,000,000 or $2,500,000, by the British Empire Steel Corporation, the haulage is in the vicinity of one and a half miles and in some cases three miles. So that hon. members can see immediately why the cost of the production of coal in the Maritime provinces—and I am speaking of Cape Breton particularly—is so much in excess of the cost in places like West Virginia. I was informed a few days ago that they are developing a mine in West Virginia

where the cost of production at the mouth of the pit is 75 cents per ton. If that coal is on a line of railway similiar to those lines equipped by certain American interests, it is almost an impossibility to compete so far as Canadian industries are concerned with that coal in the city of Montreal or in any market as far east as Three Rivers or Sherbrooke. I am referring of course to soft coal. To my mind, if we are going to do anything towards supplying the Canadian domestic demand for Canadian coal, the question is one of coke. I think the experimental stage in connection with coke is passed. We know exactly what can be done in this country, and know exactly what coke plants will cost. We know exactly how many tons of coke may be manufactured from so many tons of coal, and, having knowledge of the cheapness of production in the United States, if we are going to have this question properly settled, we should have governmental assistance, and I am not particular in what shape it is given. I am speaking for the West as well as for the East. Recently I made a few remarks in this House, and suggested, after having given the matter some consideration, that the question for the West was cheaper freight rates, and the question for the East a matter of coking. I have always supported this government, and I am not criticising them in any steps they have taken; they probably know more about the situation than I do; but I am speaking from the standpoint of one who thinks that we have sufficient coal in this country to fill all the Canadian demands, and I ask why should we not utilize it? I believe every true Canadian in this House hopes that the day will come when we will not be sending $100,000,000 a year into the States, but that we will keep it in Canada; and make coke take the place of anthracite coal in domestic hearths in Ontario and Quebec. I think every fair-minded man will say that it is up to this government to take action; and perhaps it was up to late governments to do the same. Let us hope that the time will come when future governments will deal with this question in a national and broadminded way. If the government will do what I have suggested, I feel that they will have the support of every member in this House who thinks that we should have a Canadian market for Canadian coal and coke, instead of sending out of the country $100,000,000 a year, plus the exchange which we have to pay on American money. It might involve an expenditure by this country of $75,000,000 towards the maintenance of that market for Canadian coal. But even so, if that object can be attained, those of us who have in the last three or four years tried to proclaim this policy and to give the government some knowledge of it, will feel that we shall not have lived in vain.

Mr. BAXTER: I will give the House a concrete illustration. I am living in St. John, New Brunswick. I would like some coke. I can get an occasional load from the gas works, but they do not produce enough coke to go round. The hon. member for Cape Breton (Mr. Carroll) has shown us that it is a feasible proposition to make coke. We know that. At the same time nobody is manufacturing coke commercially. Has the government any thought of putting a government stimulus behind the coke producing proposition in the Maritime provinces? If they will translate their scientific knowledge into practical action, I think they will be doing a good thing for the country, and I will have no difficulty in supporting such a proposition.

Mr. MACLEAN (York): I thoroughly agree with the hon. member for Cape Breton (Mr. Carroll) and the hon. member for St. John (Mr. Baxter) in reference to the advisability of having coke plants in Canada. The method has been worked out and found feasible. It would be a great benefit to Canada if we had it as the corollary of the St. Lawrence waterway proposition. The Minister of Railways and Canals (Mr. Graham) is here. Let him tell this House if that St. Lawrence waterway is not the solution of the proposition of carrying western coal to Ontario, and of carrying eastern coal to western Ontario via the St. Lawrence waterway. I ask the minister to tell the House and the country what headway is being made, and what are the hopes of an early solution of the transportation question by the St. Lawrence waterway.

Mr. GRAHAM: It is pretty late at night to start a discussion of the St. Lawrence waterway.

Mr. MACLEAN (York): It is the solution of this proposition.

Mr. GRAHAM: If the St. Lawrence waterway were deepened, it would be a solution of the question; but it would not be a subject of discussion at this time of night.

Mr. GOULD: I wish to carry the discussion back into Saskatchewan for a few minutes, because after you leave the Maritime provinces the first coal you strike is in the electoral district I have the honour to represent. I do not see any money being voted in the main estimates for carrying on experimental work at Bienfait, and I anticipate

that the item will come down in the supplementary estimates. I rose to ask the government just what attitude they are taking concerning the plant at Bienfait.

Mr. STEWART (Argenteuil): I have so many questions to answer now, that I do not know that I can remember them all, but I will deal with the question of the hon. member for St. John City (Mr. Baxter) first. There is no question, as the hon. member for Cape Breton (Mr. Carroll) says, that the experimental stage in regard to the manufacture of coke is passed. Nobody denies that, and I would like to say that the $40,000 vote which has been mentioned is not for the purpose of advertising the coke, but to advertise to the outside world our mineral resources, and to provide for research work, investigation and geological surveys. We put an expert on this work last year and he made a study of the situation in Port Colborne, Hamilton, Toronto, Montreal and Ottawa; I am not sure whether he did any particular work in St. John but I know from advice I have received that there is a possibility of a moderate plant being operated there. But the first consideration, which is a difficult one, is the question of disposing of the by-products. My hon. friend speaks of the gas coke, but it is not to be compared with the product made for the domestic market which we are speaking of. Before that plant can be successfully operated it must be hitched up with the gas companies, because the reduction in the cost of conversion is largely consumed by the amount you receive for your gas by-products. I think I may safely say that the conversion will be paid for by the sale economically of the by-products. So that where there is a population of 75,000 or thereabouts it is no longer a question of experimentation to establish a coking plant: if the community is equipped for the use of gas the other by-products can be used acceptably. My hon. friend speaks of encouragement. Last year we spent a portion of this money carrying on the investigation, not for the purpose of proving that you could make coal but for the purpose of ascertaining certain facts and giving needed information to those who would invest money in the enterprise; because it must be carried on as a private or a municipal enterprise. All that information is available; no one needs to search for it. People know what the problem is in the various centres because we have made a study of the question. I may observe that there is a plant at Hamilton where a contract has been entered into for the supply of gas. There are now before the government requests for encouragement, and the matter is receiving consideration; and assistance is also asked for in connection with transportation. I think the solution of this acute fuel difficulty lies in the conversion of bituminous coal into coke. Coke manufactured at Hamilton to-day, I will guarantee, is equal in value to anthracite coal; a ton of coke is equal to almost a ton and a quarter of anthracite in heating value. So that you have an additional value. I think it is safe to say that anthracite sells at $16 a ton, generally speaking, in Toronto and other Ontario points, and coke can be delivered at the door of the consumer at $12 a ton. You have therefore a reduction as compared with the price of anthracite, and in this respect you have done something very much worth while for the consumer. After all we must keep the consumer in mind; for hon. gentlemen who represent the city of Toronto would be the first to kick if you increased the cost of fuel to that city. And that is the practical difficulty that we meet whenever we begin to talk about an all-Canadian fuel supply for Canada. An hon. gentleman says that the cost of coal in Nova Scotia at the pit mouth is $4.50 to $5 a ton. Well, similar coal 250 miles from lake Erie ports is produced at the pit mouth at less than $2.25 a ton to-day f.o.b., and that coal is placed in Toronto in the yards at less than $7.

Mr. MARTELL: If the United States produces the same sort of coal so much cheaper than we do, and if we are going to maintain a protective policy at all, why do you not put sufficient protection on coal and let us have the market for that commodity? We have to pay a duty on automobiles and other things to maintain the industries in Ontario,

Mr. STEWART (Argenteuil): I am not discussing the question of duties.

Mr. MARTELL: But it is absolutely apropos.

Mr. STEWART (Argenteuil): Taking Toronto as a central point in Ontario, bituminous coal sells at less than $7 a ton; if that is the case and if you have to bring the same product from Alberta 2,200 miles either by rail alone or by both rail and water, you will see the difficulty that presents itself. And I do not see how you could bring coal from Nova Scotia except by water if it is to compete at all with the coal that is landed in Toronto to-day at less than $7 a ton. So that if there is to be a national policy for the

supplying of this country with an all-Canadian coal, with conditions as they are in the mining industry in the United States at the present moment, you will have to impose upon the consumer in Ontario a considerably higher rate than he is now paying for his fuel. We might as well face the question at once. I will be frank about the matter and say that in my opinion there is no way I know of by which an all-Canadian supply can be maintained except by making the consumer in Ontario pay more for his fuel than he is now paying. Perhaps he is willing to pay more, but we must face the question and tell him honestly that he will have to pay more. I am just as desirous as any one else, if you can show me how it is to be done, of creating an all-Canadian market for Canadian coal. But I do not know whether you will put the consumer in a good frame of mind by making him pay two or three dollars a ton more for his fuel than he would pay with the American product available. That is the problem we have to face in connection with a national policy of this kind. I do say however that so far as Canadian fuel can be used without increasing the cost to the consumer, and where transportation can be reduced to the absolute minimum, I am prepared to recommend assistance for our friends in the East who have a serious problem of their own. In the East they have deep mining which is expensive; and the same is true of Alberta. I said to the coal miners there that if they were going to get down to a minimum cost in transportation they would have to reduce their production cost, which at the moment is $4.50 a ton. That is the coal situation in a nutshell; you cannot secure an all-Canadian market for Canadian coal unless you make the consumer pay more than he is paying now. With respect to coking operations, I would have anything that might be done in that direction confined to Canadian production.

Mr. LOGAN: I have discussed the coal question before this session, and, as far as I could, exhaustively; and I rise now to make a statement with regard to the cost of coal in Nova Scotia. My hon. friend from Yarmouth and Clare (Mr. Hatfield) states that coal costs in Yarmouth $12 a ton. In behalf of the collieries of my county which produce as good coal as can be got in Cape Breton I will undertake to supply all requirements in Yarmouth and all the western counties of Nova Scotia at $5 a ton f.o.b. their vessels. I do not know where the difference between $5 and $12 lies; it may go to the middleman for all I know. I do know however that we are mighty glad in Cumberland to get $5 a ton for coal; and in many cases we do not get $4.50 a ton at the mine. Why to-day we are selling coal to the Canadian National Railway Board for a maximum of $5 a ton—good coal. steam coal for use in locomotives on the fastest trains.

Mr. STEWART (Argenteuil): That is f.o.b. railway?

Mr. LOGAN: Yes. In Cumberland we are prepared to supply a minimum of 400,000 tons of coal a year f.o.b. ship.

Mr. MARTELL: About what would the freight be to Yarmouth?

Mr. LOGAN: Coal is conveyed from Cape Breton to Montreal for less than $1 a ton. I would say that the cost in small steamers or schooners should not exceed $1.50 a ton.

Mr. MARTELL: Say 90 cents.

Mr. LOGAN: Well, putting the rate at even $1.50 a ton, it means that the whole county of Yarmouth could be supplied with good coal at not exceeding $6.50 a ton. As I said before, it is a remarkable circumstance, and we have it even within a few miles of the collieries in Cumberland, that coal which is sold at the mines for $4.50 and $4.75 a ton costs the consumer $9 and $10 a ton. But do not let us blame the producer of coal, because I will undertake to say that there is not a single coal operator in Nova Scotia to-day who is making $1 on his investment.

Mr. GOULD: I should like an answer to my question.

Mr. STEWART (Argenteuil): We have some money still available for experimental work at Bienfait.

Mr. GOULD: Last year I think we came to the conclusion that it was not commercially feasible to handle lignite coal of which we have so many deposits in southeastern Saskatchewan, and I advanced the suggestion to the minister, and he seemed to coincide with me, that it would be well to convert this coal into electricity at central points and distribute it throughout the country for auxiliary heat and power purposes.

Mr. STEWART (Argenteuil): I shall be very glad to discuss this matter with my hon. friend on another occasion and give him full information as to what we have done in the briquetting of lignite. It is feasible to briquet this coal.

The CHAIRMAN: Briquetting is included in another vote.

Mr. GOULD: I was simply speaking on the subject of research work, which is mentioned in the item under discussion, as I wondered if the government had taken into consideration the potentialities of central electrical stations.

Mr. STEWART (Argenteuil): I will deal with that on another occasion.

Item agreed to.

The CHAIRMAN: What about the second item, publications, English and French; purchase of books, laboratory supplies, instruments, miscellaneous assistance and contingencies; shall that carry?

Item agreed to.

The CHAIRMAN: The transportation item has been adopted.

Mr. HUMPHREY: No, Mr. Chairman, I should like to get information on the last item.

Mr. STEWART (Argenteuil): Let that stand, then.

The CHAIRMAN: The last item stands.

Mr. STEWART (Argenteuil): I move that the committee rise and report progress.

Progress reported.

On motion of Mr. Graham the House adjourned at 12.30 a.m. (Wednesday).

Wednesday, July 2, 1924

RESERVE BANK

PROPOSED ENLARGED REFERENCE TO COMMITTEE ON BANKING AND COMMERCE

Mr. ARTHUR L. DESAULNIERS (Champlain): Mr. Speaker, I move, seconded by Mr. Gervais:

That the sixth report of the select standing committee on Banking and Commerce be concurred in.

Mr. THOMAS VIEN (Lotbiniere): Mr. Speaker, the sixth report of the select standing committee on Banking and Commerce reads as follows:

Your committee recommend that the order of reference be enlarged so as to embrace the study and consideration of the purpose, organization and operation of some type of properly administered central or reserve bank.

The minutes of proceedings of the committee have been laid on the Table of the House, and therefore we can refer to them in the discussion of this motion.

The order of reference, the enlargement of which is now sought, reads as follows:

That the select standing committee on Banking and Commerce should be instructed to consider the provisions of the Bank Act with a view to recommending such amendments to the act as would better protect the interests of depositors generally and prevent similar occurrences in future.

The hon. member for West Calgary (Mr. Shaw) in committee moved the following:

That this committee is of the opinion that the purpose, organization and operation of some type of properly administered central or reserve bank falls within the scope of the reference; and that a subcommittee be hereby instructed to suggest to this committee the names of competent witnesses to give evidence on this subject.

As chairman of the committee, I had to rule this motion out of order as not falling within the scope of the order of reference. Whereupon the hon. member moved:

That the order of reference be enlarged so as to cover the study and consideration of the subject matter referred to.

This question is by no means a new one. Last year before the select standing committee on Banking and Commerce, and also before the committee on Agricultural Conditions, it was studied at length and a vast volume of information was collected, the evidence being afterwards printed and distributed to all members of this House. The federal reserve system of the United States has been in force since 1913, and in the interval many books have been written on the subject, a number of these volumes being available in the library of parliament. Therefore if the purpose of those who seek to enlarge the order of reference is to collect more information, I think it is futile, because such information is now available in the evidence which has been printed and distributed and in the numerous books on the subject in the library of parliament.

On the other hand, if the purpose of those who seek to enlarge the order of reference be the immediate consideration of the creation of a federal reserve system in Canada, I think it is altogether inadvisable. There are in this House and in the country to-day a certain number of people who find everything wrong with our banking system, and who would like to reform it, not by the ordinary course of evolution, but by drastic measures which would be in effect an actual revolution of the system. This frame of mind is understandable. Some of these gentlemen have attributed the unsettled conditions prevailing in their particular section of the country to the fact that there is no federal reserve bank in Canada. They have also noticed that several banks have got into difficulties. We

had the failure of the Farmers' Bank a few years ago. The Bank of Hamilton had to be absorbed. The Quebec Bank was amalgamated with the Royal Bank. La Banque Nationale was absorbed by La Banque d'Hochelaga. And the Home Bank failed. Hon. gentlemen say that if we had a federal reserve board or a federal reserve bank such difficulties as these would not occur. I say, Sir, it is a mistake. It is an error of principle; it is a wrong way of reasoning. The difficulties confronting my hon. friends in their particular sections of the country are by no means peculiar to those sections. The financial and economic difficulties that confront the western farmers prevail also in all the agricultural centres of the United States, and if I read aright the information appearing in the United States press the condition of the farming classes in the western states is even worse than that of the farmers in western Canada. Nor are these difficulties peculiar to the farming class. In the industrial centres of the eastern provinces, Ontario and Quebec, and in the eastern states, these same problems have arisen. Quite a number of firms other than banks have gone by the board on account of the contraction of credit and the shrinkage in value of various commodities which is part of the aftermath of all great wars.

When the question of establishing a federal reserve system first arose in the United States is was to meet conditions quite different from those which prevail in Canada. They had the unit system of banking, independent banks with no branches. These banks had neither an elasticity in their currency, nor the facilities of rediscounting and of mobilizing the surplus assets centred in a few cities for use in other parts of the country where they were more needed. Let me state the objects which were put forward last year as the main reasons why a system of rediscounting should be established in Canada. Before the Banking and Commerce committee last year the question was agitated, and it was moved that we should create in Canada a federal reserve bank the purposes of which would be as follows:

(a) It is a bank of re-discount for other banks, or a bankers' bank; available for credit to banks, either when there is a financial depression and heavy demands on a bank or on the other hand elasticity of credit when there is business expansion and prosperity. In this way very large banking capital is less important in the banking system and there is greater stability of credits.

(b) Open market operations to check too sudden expansions or too sudden contractions, by the use of bank discount.

[Mr. Vien.]

(c) As a credit agent in international trade and commerce for a broader discount market for commercial paper.

(d) To act as a bank of note issue for the government instead of, for example, the Dominion government handling its own note issue.

(e) To act as the fiscal agents of the government.

(f) To be constituted in such a manner as to enable the people of the country by the government and to the government's appointees on the board of directors, to have due regard to the best interests of the people's prosperity and financial welfare.

(g) To act, through its board of directors, as a disciplinary body on banks which might be disposed to engage in questionable undertakings on a large scale.

(h) To exercise, through its board of directors, inspection in a general way for unusual financial operations of the member and other banks.

Mr. LADNER: The hon. gentleman is reading from the proposal which I submitted to the Banking and Commerce committee last year, but it is important for the House to note that the proposals he has stated here refer generally to the federal reserve bank system as operating in other countries. If he will look further on in the report he will see the functions stated as they can be applied to Canada by co-ordinating some of the existing functions of a federal reserve bank which the government actually carry on. It is hardly fair to read that section, because it refers to other countries.

Mr. VIEN: When my hon. friend introduced his resolution in the Banking and Commerce committee last year he said that these were the main functions of the federal reserve system that it was desired to introduce in Canada. Of course he did not mean that the system exactly as it prevails in the United States should be adopted, but the suggestion was that some organization should be created at least to discharge some of the functions which the system discharged in the United States.

Mr. LADNER: I do not think the hon. member wishes to read the wrong part of the proposals. If he will look at page 255, under the heading "Operation" he will see a statement of the actual functions that such an institution should exercise in Canada.

Mr. VIEN: My hon. friend is quite correct, but I do not believe that the quotation I have made conveys the wrong impression to the House. However, my hon. friend has made the correction, and I shall not enlarge on the subject.

The question was put in the committee last year to several banking authorities, who were asked to express their opinion. Sir John Aird, Sir Frederick Williams-Taylor, and several others were examined by the committee, and gave their opinion. May I be

permitted to quote Sir Frederick Williams-Taylor's opinion in respect to the advisability of introducing a federal reserve bank into our banking system in Canada? In reply to the hon. member for Vancouver South (Mr. Ladner) he said:

Mr. Ladner, there is no necessity for a federal reserve bank in Canada in our opinion. It has been suggested before and the proposal apparently arose from the contemplation of the federal reserve bank of the United States, the main reasons for the establishment of which were the absence in the country of means whereby: banks could obtain temporary assistance to meet seasonal or other special requirements. Second: The banking resources of the country could be transferred freely throughout the year to the part where the need for temporary advances might from time to time exist. Canada is under neither of these disabilities. Under the Finance Act of 1914 banks in need of temporary assistance can and do obtain from the Dominion government that assistance, while our branch bank system insures an ample supply of currency at all times and places where it is needed for crop movement or other purposes. It has been suggested that the tendency of the Canadian banks is to borrow from the government only with reluctance. Similar conditions prevail in the United States with respect to borrowing from the federal reserve bank, and in England with respect to borrowing from the Bank of England. Is it not as it should be? The note issues of the national bank in the United States, being based on government bonds did not expand and contract according to the requirements of the country whereas we have as you know a very flexible currency under the Canadian banking system. This expansion is covered entirely and absolutely by the needs of business and works automatically and perfectly. It is safe to say if the present Canadian system had for the past half century obtained in the United States the federal reserve system would never have been established. I remember in 1907 I think it was a great banking authority in Europe saying the United States banking system was uncivilized and the creation of the federal reserve system was an almost distorted effort to create a wrong banking system. It was in existence so long it could not be abolished any more than our banking system could be in Canada and it seems to us the federal reserve system has accomplished its purpose.

Sir John Aird gave a similar opinion in answer to the hon. gentleman's question:

Q. What is your opinion as to the wisdom of creating a federal reserve bank along the lines outlined in the proposal which was filed?

A. I think I answered that just now. I do not think the time has arrived for that. I think that if this country develops and we get the population, the time will come when we will need greater banking facilities, either by the present banks increasing their capital or by the establishment of some such bank along the lines you suggest, but I think it is not advisable at the time because it would be a great cost and risk.

This year we have had the great advantage of having before the committee as a witness Mr. Pole, the Chief National Bank Examiner in the United States. The question was put to him in the committee whether he thought the system that prevails in the United States would be of advantage in Canada. The hon. member for Vancouver Centre (Mr. Stevens) put the following question to him:

Having them in mind, the Canadian system and the American system, and from your experience as an examiner, would it be advisable or feasible to adapt the American bank examination system to the Canadian banking system without changing the principle of our banking system to correspond with the principle of the banking system of the United States?

Mr. Pole answered as follows:

The federal reserve system has been of inestimable value to the banks of the United States in ways too numerous to mention. Primarily, with the discounting privileges which it offers to its members, it has enabled a large number of banks to carry on through periods of depression when it would have been impossible to obtain funds elsewhere, and which must have closed their doors with reluctant heavy loss to depositors; and while some members of the system have fallen by the wayside in spite of the facilities which the F.R. banks offered, the question naturally arises as to how calamitous might have been the situation had there been no such agency in existence—and to the world this will never be known, but to those who have been in close touch with conditions since its establishment, the facts are undisputed.

The federal reserve system is admirably adapted to the unit system of banking, but for a very small number of banks with a large number of branches to attempt to adjust themselves so as to fit into such a scheme would appear to be highly impracticable.

Under the provisions of the Finance Act it seems to be quite possible for any bank in Canada whose assets would be of such liquid character as to enable it to take advantage of any facliities offered by the reserve system, to avail itself of equal opportunity offered by the Finance Act, the operation of which is easy and inexpensive, and, judging from the manner in which it has been functioning, quite effective.

The choice in Canada then would almost appear to be between a federal reserve system coupled with a unit system of banks which change would involve untold difficulties, and a combination of the branch banking system coupled with the Finance Act, which seemingly is meeting every banking requirement.

That is the opinion of a banking expert in the United States who came to Canada, made a thorough study of our banking system and gave us the benefit of his opinion.

Mr. CARROLL: In effect, does the witness say it is more easy to get discount in the United States than it is in Canada under our banking system?

Mr. VIEN: He did not say whether it was more easy or less easy. He simply said that the Finance Act in its operation seemed to him adequate to meet the requirements of our banking system.

Mr. MACLEAN (York): And did he not say that the Canadian system was therefore superior to the American system?

Mr. VIEN: I do not think that question was put to him. He said that our Finance Act as it is operating at the present time was better adapted to our Canadian branch bank system than would be the federal reserve

bank system in the United States. He pointed out to the committee that the federal reserve system was opposed to the introduction of the branch bank system in the United States, and that is quite easy to understand.

Mr. MACLEAN (York): Then it was a comparison between two systems that are not comparable, one being a branch bank system and the other a unit system, and therefore his evidence was not germane to the question we are considering.

Mr. VIEN: On the contrary I think his evidence was very germane. He said that our Canadian branch bank system was not adaptable, in his opinion, to the federal reserve system that they had in the United States.

Mr. MACLEAN (York): There is a unit system that would be adaptable.

Mr. VIEN: He speaks of that:

> The choice in Canada then would almost appear to be between a federal reserve system coupled with a unit system of banks, which change would involve untold difficulties.

It did not appear to him possible to change our branch bank system into a unit system of banking, and it seemed to him that the federal reserve system could not be introduced into Canada unless such a change were made. He also pointed out to us the expense incurred in the operation of the federal reserve system. This expense is extremely great. May I draw the attention of the House to a report on the subject which appeared in the New York Times on Thursday, May 29, last, under the following captions:

> Federal reserve in a "lean" season.
> System on a non-paying basis because of the decline in business.
> Loans total, $795,499,000.
> Aggregate of a billion outstanding required to show a profit—shrinkage in bills discounted.

I will not weary the House by reading the whole article but will simply quote these two paragraphs:

> The situation, bankers said, is not to be regarded as serious, but rather as a seasonal phenomenon which they expect will soon disappear.
> To operate at a profit the system must have about $1,000,000,000 out in loans. At present its total earning assets are considerably below this mark.

That means that in order to pay, a federal reserve system must have at least a billion dollars outstanding, otherwise it cannot meet its carrying charges.

Mr. LADNER: I am sure my hon. friend is not trying to mislead the House, but was not the evidence disclosed that the federal reserve system had made a very large profit and that it had paid a very large sum to the United States government?—I have forgotten the amount.

Mr. COOTE: The sum of $138,000,000 was paid to the federal government out of profits by federal reserve banks.

Mr. LADNER: Yes, there was a profit of $138,000,000, and my hon. friend has quoted a newspaper article which shows there was a loss.

Mr. VIEN: Oh, no. I am sorry if I have conveyed such an impression to the House. It was not my desire to do that.

Mr. MACLEAN (York): Then why not have stated that there was a profit?

Mr. VIEN: I simply said that in order to pay, the federal reserve system of the United States had to have at least a billion dollars outstanding, and that with any lesser amount of business the system could not meet its carrying charges.

Mr. LADNER: Is there an hon. member here who contends that we should have the federal reserve system of the United States? The chairman of the committee must know that nobody ever contended such a thing; he has built up a man of straw in order to knock him down. I would ask my hon. friend if it is not correct that the tendency of the evidence given to the committee was that we should apply those principles of the United States Federal Reserve Bank, and others, that are applicable to conditions in Canada?

Mr. VIEN: I can best answer my hon. friend by reading again the motion for concurrence:

> Your committee recommend that the order of reference be enlarged so as to embrace the study and consideration of the purpose, organization and operation of some type of properly administered central or reserve bank.

I did not say that what was meant was the identical system that prevails in the United States. What I did say was, that the study and consideration of any kind of central or reserve bank would be useless, because all the information was at present available, and if the purpose was the creation of such a system as prevails in the United States then, on the strength of the evidence now before us, it is inadvisable to do that because we have already in our banking system all the facilities which the federal reserve system offers to the American bank. The head office for each Canadian branch bank is in itself a re-discounting bureau. It is a federal reserve system in

itself because it has the required elasticity, and it can provide surpluses at any point where the bank has branches. In addition, the banks in Canada, under the Finance Act, have all the re-discounting facilities which the federal reserve system offers to the American banks. Furthermore, in the opinion of Mr. Pole, and in the opinion of the banking experts in Canada, the great bankers who were called to give their opinion before the committee, it would be totally inadvisable, very expensive, and would not result in any profit, to change our present system.

I wish also to draw the attention of the House to our system as it exists. The Bank Act, which is revised every ten years, is the charter of our Canadian banks. When the Bank Act is revised the Canadian banks at the same time receive powers to carry on for ten years, and it has been customary since confederation not to make radical changes in that act except at the decennial revision. It would tend to cause instability in our banking system if radical and fundamental changes were introduced into the Bank Act every year. We can very well amend the Bank Act year by year so as to improve it; but, I repeat, fundamental changes would be unwise and would create instability. Therefore, I for one object to the concurrence of the House in the sixth report of the Banking and Commerce committee. It would mean a loss of time for the House as well as a loss of time for the committee; it would be a useless expenditure of money to call witnesses and adduce evidence with a view to obtaining information; and it would be utterly undesirable that the fundamental principles of our banking system should be changed before the next decennial revision. For these reasons I deem it inadvisable to concur in the sixth report of the committee.

Mr. JOS. T. SHAW (West Calgary): At the outset I direct attention to the fact that the Banking and Commerce committee only seek an enlargement of the reference in order that it may have the power to study and consider the position, organization and operation of some type of properly administered central or reserve bank. I quite agree with the hon. member for Vancouver South (Mr. Ladner) that no one, so far as I know, has ever suggested the application of the federal reserve system of the United States to our present system in Canada. The motion before the House simply asks that the committee be empowered to study and consider some type which might be found applicable to the Canadian banking system. I agree also with the hon. member for Lotbinière (Mr. Vien) that it is not necessary for us to call any witnesses for this purpose. There are mountains of literature on the subject all of which is available; and I have no doubt that the committee could come to a conclusion one way or the other simply by a careful analysis and consideration of some of the evidence at hand.

In order to determine the advisability of making any extension of our system along the lines indicated by a central or reserve bank, it seems to me, we should have a very clear impression at the outset of exactly what our situation is to-day. It is unnecessary for me to remind the House that parliament is charged with the responsibility of furnishing adequate credit facilities to the people of Canada. In its wisdom many years ago—and I do not doubt its wisdom in that regard—parliament saw fit to delegate this duty to certain quasi-public corporations, subject to certain rules and regulations. These rules and regulations intended for the guidance of the banks are laid down in the Bank Act, which is revised every ten years, and sometimes more frequently as necessity demands. Under the terms of the Bank Act the banks have been given many special and important privileges. The providing of credit to the nation has been exploited—and I do not use that word in any improper sense—by the banks for the purpose of making private profit; the banks are entitled to that privilege under the act as it now stands. We have provided by the act that from month to month, semi-annually and also annually, the banks shall make reports to the Finance department, but that department have been of little value so far as checking up or making any careful scrutiny of these returns is concerned. I do not think that anyone, not even the Minister of Finance, will dispute that statement, because I have only to call to the mind of the House that in the matter of the Home Bank the capital had been impaired for some seven or eight years while the Finance department had absolutely no official knowledge of that situation.

In addition to these returns made to the Finance department, provision is made in the Bank Act for the formation of what is known as a central gold reserve. That central gold reserve, which was organized for the purpose of allowing the banks to expand their circulation upon depositing certain specified securities, is managed by four trustees, one representing the government and three representing the banks. Furthermore, we have another alley along which our financial affairs run, known as the Finance Act. The Finance Act of

Canada, which provides rediscounting facilities to the banks and the banks alone, is operated by the Treasury Board. The Treasury Board consists of five privy councillors of Canada, with the Minister of Finance as the chairman and the Deputy Minister of Finance as secretary. Strange to relate, this Treasury Board apparently has come to the conclusion —although I believe all modern economists take the other view—that the interest rate cannot be used as an agency in either preventing unwise inflation or safeguarding against unnecessary and harmful deflation. Another illustration will suffice to indicate that the operation of this particular act certainly invites some criticism; I need only mention the fact, disclosed in evidence, that while the banks under this act can borrow money at the rate of five per cent, when the government goes to the banks it has to pay five and a quarter per cent. Surely that does not speak well for the efficiency of our rediscounting facilities. In addition to that, there is another direction in which our financial activities lead us. We incorporated many years ago an organization known as the Canadian Bankers' Association, and under the incorporating act we have given that association certain supervisory powers, delegating to them at the same time certain duties of supervision. And I need not mention that in addition to all these ramifications, unconnected and unrelated, we have a Post Office savings bank which invites savings from the people of Canada and which is operated under the Post Office Department. We have also a government savings bank; I do not know under what department it is managed but I presume it would be the Finance department. And then we have the Mint which operates under the auspices of the British government.

The Minister of Finance now proposes, and I think he is wise in the proposition, to superimpose upon this system an inspection plan under the direction of an officer to be known as the Inspector General of Banks. He hopes I think with some reason, to convert the Finance department from a mere undertaking establishment, in relation to banks, into something like a hospital clinic, so that the banks may receive treatment before their collapse, with a resultant saving to the depositors whose position, it is trusted, will be one of much less peril.

That is the situation that exists to-day; and that, in combination with what the minister proposes, leads one to the conclusion that our system has been something like Topsy; it has simply "growed." It is not properly related, it is not properly co-ordinated, if I may be pardoned the use of that term. That being the present situation, the question is, what has any type of central or reserve bank to do therewith? In the first place I might remind hon. members that central banks are nothing new; the United States is not the only country in which there is a central bank. With all its various and diversified interests the people of the United States have undoubtedly found this central bank to be a very effective instrument to keep the country financially safe and to promote its industrial development. We find, too, that in South Africa, with the varied interests in that country, there is a central bank. The same is true of Australia and also of Japan.

We are not necessarily wedded to the United States scheme. But taking the United States system, let me just in a few short sentences indicate what it has meant, according to the authorities, to the finances and development of that country. First of all it has effectively mobilized the nation's reserves so that those reserves are available in the place where and at the time when they are wanted. One of the witnesses before the Banking and Commerce committee illustrated the situation very well, I think, in this way. He said that suppose you establish twelve water reservoirs and pipe them together, if there was a drain on any particular reservoir, naturally there would be a flow into it from the others, thus maintaining a correct balance in all parts of the entire system. Similarly, in the case of a financial system founded on that principle, a proper balance will be maintained in all parts of the country making credit available wherever and whenever it was needed. So I say, it is admitted everywhere that the federal reserve system in the United States has effectively mobilized the nation's reserves In that country it has also increased the elasticity of the note issue. That is not an important matter in this country, because some people consider that the note issue is, if anything, perhaps too elastic in Canada. In addition it has provided rediscount facilities, and that, of course, has made possible the mobilization to which I refer. Fourth, and perhaps most important of all, it has created an intelligent control, in the public interest, of the financial resources of the country. That has been achieved mainly by the use of the discount weapon. At the outset the federal reserve system in the United States was somewhat new and there was some difference of counsel as to the proper procedure. But, through a time of stress and after a period of strain, it has been found that a federal re-

serve system can so use the discount rate that unnecessary deflation and inflation, both bad for the country, will be prevented.

These are the fundamental principles, as I understand them, which operate in connection with any central or reserve system. Can any of them be applied to the situation in Canada? Certainly it seems to me that with regard to the rediscount privilege, we should have some effective and competent machinery to regulate the discount rate in order that we may prevent the tragedy alike of inflation and of deflation. That is not done now. I am not surprised that it is not done, because I think that with political management even the best of systems will not necessarily yield the results desired. What we need is an independent board to take charge of this situation and, indeed, of other situations mentioned; a board which will be in a position effectively to administer the nation's resources for the public benefit.

Mr. ROBB: What does my hon. friend mean when he refers to the discount rate?

Mr. SHAW: I am referring to the rate of interest for rediscounting purposes. We do not propose, as suggested by the hon. member for Lotbinière (Mr. Vien) any revolution of the system; we propose an evolution of the system. We suggest the adoption of some permanent supervisory board which will gather up all these frayed ends of all of these disorganized and incoherent parts of our financial system that we have to-day, when we shall be able to work out of that system something like coherence and develop a system which will function effectively in the public interest.

My hon. friend (Mr. Vien) has referred to several noted banking authorities who, he claims, were opposed last year to the application of the federal reserve system to Canada. Those same gentlemen last year very violently opposed any inspection system. I am quite sure that their judgment on that point was wrong; as a matter of fact, the minister is quite confident that their judgment was wrong, because now he proposes to introduce an inspection system which, I trust, will be satisfactory for the purpose.

I do not propose to labour this subject further, there are features of the federal system and of the central bank system which, I think, could be applied with advantages to the system in Canada. We could create a supervisory board—I do not care whether you call it a bank; there is nothing particular in connection with the name "bank"—of skilled, competent financial men, men who have made a study of conditions in Canada, who would be able to operate all our financial system and who could make it work intelligently in the public interest.

May I point out in conclusion that this is nothing new in Canada, because I find that a former president of the Imperial Bank, as far back as 1914 after discussing approvingly the inauguration of the federal reserve system in the United States, used these words:

> The time will come in Canada and come early when we will find it advisable, yes necessary, with our growth and development to establish a bank of rediscount under the patronage of the Dominion government and with somewhat similar powers to those that have been granted to the reserve banks of the United States.

Mr. MARLER: Was that not quoted before the establishment of the Finance Act?

Mr. SHAW: I think it was. This statement was made on the 28th May, 1914. I quote it for the purpose of showing that the then president of the Imperial Bank realized the importance of adopting some of the essential features of the American federal reserve system.

Mr. MARLER: Precisely what the government realized itself in bringing the Finance Act into vogue.

Mr. SHAW: Yes, the government was forced, by reason of necessity, subsequently to introduce the Finance Act as a war measure; but the president of the Imperial Bank spoke when there was no suggestion at all of a war or a pending war. Then I find that in 1918 a former president of the Royal Bank used these words:

> In my opinion the question of providing supplementary banking facilities in this country is very important and should receive the consideration of the government and the banks. If we had a bank of re-discount patterned somewhat after the federal reserve bank in the United States, it would render legitimately available millions of assets in the form of high-grade commercial paper, now lying dormant in the portfolios of the banks, and thereby increase our financial resources. I think the government should appoint a committee of experts to investigate the suggestion.

Mr. GOOD: That was said after the Finance Act was passed.

Mr. SHAW: We should not close any avenue of study or consideration which may be of profit to us in putting our banking system on a solid and safe foundation. Our banking system, if it is to function at all, must not only secure, but merit the confidence of the people of Canada.

4 p.m. That confidence unfortunately, has been sadly shaken, and it is our duty to leave no field unexplored where we may be able to find something of value which will add strength and solidarity to this system.

Hon. J. A. ROBB (Acting Minister of Finance): Mr Speaker, I should not like this motion to go through without offering some views. I am very much interested in the discussion on the part of my hon. friends who have made a special study of the banking system of Canada, but there is no good reason why, at this stage of the session, we should enlarge the reference and refer this back to the Banking and Commerce committee. The committee made a very careful study of the banking situation last year; they carefully reviewed all the arguments for and against and, as has been so well stated by the chairman, the hon. member for Lotbinière, there are mountains of information in the records. Therefore, there is no good reason why we should refer the matter back.

As regards the other argument just presented by the hon. member (Mr. Shaw) as to the advantages of a rediscount system, the present act under the Finance Act has been demonstrated to be quite sufficient for the requirements of the country. It works well and is well suited to the Dominion of Canada, even on the argument of my hon. friend. Under the Finance Act the people of Canada are getting proportionately just as much revenue as the people of the United States will under their federal reserve system. So that for that reason no good purpose can be served by referring the matter back. For all those reasons at this time I shall have to vote against the resolution.

Mr. L. J. LADNER (Vancouver South): As one who has been greatly interested in this subject, having given a little study to it, I think the report of the committee which the House is asked to adopt involves a determination of principle. The government should consider this point. The principle involved is whether parliament is disposed to allow the select standing committee on Banking and Commerce to investigate the advisability of a central or reserve bank system as now operated in other parts of the world; or whether parliament is to deny any such inquiry by the committee. I am not suggesting that we spend a lot of money in calling witnesses from all over the world. I quite agree that we have already accumulated much evidence on the subject and that we have an abundance of material available in the parliamentary library, as well as the experience of those hon. members who have been investigating the subject. But, in view of the conditions revealed in the Home Bank failure, the fact must be plain to all of us that unless our public men co-operate in a spirit of goodwill with those vitally interested—our bankers

—in a thorough study of the subject, we shall be faced with such a situation ten years hence as every hon. member here will regret.

The two outstanding facts to-day in relation to our banking system are, first, the tendency towards the elimination of our smaller banks; and, second, the resultant centralization of the banking business in the larger banking institutions. I do not say this by way of reflection upon our larger banks, because I believe all Canadians should be proud of the way they have functioned, but to draw attention to the bald fact that seventy per cent of our deposits are in the four largest banks, while the ten small banks have only the remaining 30 per cent, and thus are at a disadvantage in not being able to reduce their rate of overhead expense. Then there is the marked decrease in the number of our banks from 36 in 1910 to only 14 to-day. And, finally, we have the failure of the Home Bank and other incidents in connection with our banking system which have tended to shake the confidence of the public. Surely the mere mention of these outstanding facts is sufficient to convince any hon. member that it would be altogether inadvisable to postpone an exhaustive study of the merits of a central or reserve bank system. There is no desire to apply—in the words of the hon. chairman of the committee (Mr. Vien) —"revolutionary" methods; all we desire is that the committee be not denied the right to study this exceedingly important matter.

Mr. VIEN: Does my hon. friend sincerely believe that if the order of reference were enlarged, the committee could study the question thoroughly between now and the end of the session?

Mr. LADNER: No, not at all.

Mr. VIEN: Then, what is the use of proceeding further?

Mr. LADNER: But I do believe it would be a frank and wholesome expression of opinion on the part of hon. members that they desired to have the subject studied. In other words, the principle would be established. That is what I referred to in my opening remarks.

Mr. VIEN: My hon. friend says that the committee should have an opportunity to study the question further. Any hon. member is quite free to give it further study. But the report of the committee in which concurrence is now moved is that the order of reference be enlarged and that the committee be instructed to study the purpose,

organization and operation of some type of properly administered central or reserve bank. It would be almost disrespectful to this House if after a report of this kind was concurred in the committee refrained from proceeding with the inquiry, which my hon. friend admits it will not be possible for them to conclude between now and the end of the session.

Mr. LADNER: Let me make my point clear. We have involved here a question of principle, whether or not parliament shall give authority to the committee to inquire into and study this question. There may not be time to complete the study now, but parliament is faced with this request from a committee which has laboured long hours and which finally decided to make this request despite the ruling of the chairman. I think, out of respect to the committee and as a declaration of the confidence of the House in that committee, the authority asked for should be granted.

Mr. VIEN: The committee refrained from expressing an opinion as to the advisability of pursuing the course proposed. It is now for the House to decide whether or not it is advisable to do so.

Mr. IRVINE: Is not the hon. member for Vancouver South (Mr. Ladner) aware that on May 21 the select standing committee on Banking and Commerce asked that this motion be put before the House; and does he know how it is that only now have we a chance to discuss it?

Mr. LADNER: I think that question might be more properly put to the chairman of the committee. I know we made the request in good time, in fact I had the honour of moving the resolution referring the question to the House, and I have been rather surprised that it has not been brought to the attention of the House before. But, Mr. Speaker, I wish to appeal to hon. members to consider the real issue involved as I view it. Is the banking system of this country such that the members of this House should not make any further study of it in the committee; or should this House give the committee an opportunity of proceeding along the lines requested? That, in my judgment, is the question, and I hope the House will grant the application of the committee.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, the hon. member for Lotbinière (Mr. Vien) in criticising the suggestion of a central bank of re-discount referred to the evidence of several gentlemen who were before the Banking and Commerce committee a year ago, and pointed out that they rather criticised the suggestions then made. These same gentlemen in giving evidence before the Banking and Commerce committee at that time also stated that Canada had the best banking system in the world; that depositors were no doubt absolutely secured and that the banks were on a sound basis. I have only to refer to the history of such banks as the Home, Hamilton, Banque Nationale, and others of which we all know, institutions that have been through very trying times since those statements were made. I simply mention that to show that if those gentlemen were wrong in the second statement they made, they probably were wrong in the first.

The Acting Minister of Finance (Mr. Robb) mentioned that a very thorough study was made of these questions a year ago. That is correct, but unfortunately, although we took a lot of evidence in the committee on various sides of this financial question, nothing has been done, no action has been taken with respect to same.

Mr. GOOD: Did any discussion take place in the committe last year on the proposals submitted by the hon. member for Vancouver South (Mr. Ladner)? I do not remember any.

Mr. SPENCER: The only evidence was that given by the hon. member for Vancouver South.

In the remarks that I shall make this afternoon I wish largely to review the question of note issue. The issue of bank notes is referred to in section 61, subsection 2 of the Bank Act: Banks are allowed to issue up to the amount of their paid-up capital as a special privilege to those corporations. This was at one time thought to be sufficient for the means of exchange. However, the business of the country has so increased we have had to find other means of increasing the issue of notes. The first extension that I can find was made in 1908, when the banks were allowed during the crop season to issue extra notes to an amount equal to fifteen per cent of their paid-up capital and reserve between the months of October and January. Later they found that this was not sufficient and the time was extended from September 1 to February 29. This is quite a privilege to the banks. One will find upon looking up the figures for 1922 that the banks in that year had paid-up capital amounting to $125,500,000 and reserves of $129,500,000. It therefore meant that they had the privilege of issuing extra notes to an amount equivalent

to over thirty per cent of their paid-up capital. I am commenting on this only to show that as business increased in the country we had to find some means of getting a larger supply of the medium of exchange in the matter of note issue.

I would like to refer, however, to the year 1904, when the paid-up capital in comparison to the total assets amounted to 11 per cent. Twenty years afterwards we find that it only amounts to 4 per cent; in other words, as business has increased the ratio of capital to assets has decreased. Other means also had to be found to create a sufficient medium of exchange, and in 1913 the central gold reserve was started. The central gold reserve, according to one of the men who had a great deal to do with starting it, was never intended to be anything else than a gold reserve where gold could be placed and notes issued against it. But the use of the gold reserve has wandered a long way out of that path since that time. In 1914 the Finance Act was passed, which made it possible for the banks to bring certain securities to the Treasury Board and obtain Dominion notes against them for a charge of 5 per cent. A lot of these notes were issued in large legals to facilitate inter-bank exchanges, but a large quantity was taken to the central gold reserve and placed there so that against it they could issue their own paper. We were informed in the Banking and Commerce committee a year ago that the reason they wished to issue their own paper instead of issuing Dominion paper was because of the matter of advertising. We have to-day in the central gold reserve, in round figures, some $9,000,000 of gold and some $56,000,000 of notes or paper. In other words, as a well known banker who made his name famous in Canada some years ago stated to me, it was really more of a gilded reserve than a gold reserve.

Regarding the quality of the securities left with the Treasury Board I would like to quote an answer given to the hon. member for Bow River (Mr. Garland) in 1922:

> Notes to the amount of $87,115,075 were issued to the banks as advances under the Finance Act, 1914, and secured by the deposit of securities approved by the Treasury Board, including Dominion of Canada bonds and treasury bills, bonds of the provinces of Canada and Canadian municipalities, British Columbia treasury bills, Canadian Northern Company notes, certain industrial bonds and stock, assignments of grain and produce and demand notes of commercial houses endorsed by the banks to the order of the Minister of Finance.

You will notice that two of the items in this list were Dominion of Canada bonds and treasury bills. It is interesting to note that when the government wants to borrow money from the banks it issues treasury bills, and to-day we have outstanding to the banks in treasury bills no less a sum than $91,315,000. You will notice, as mentioned by the hon. member for West Calgary (Mr. Shaw), that although we charge the banks only 5 per cent on the notes issued to them against the security offered,—which security might be treasury bills—we pay the banks themselves for money lent against treasury bills 5½ per cent. These treasury bills can again be brought back by the banks to the Treasury Board and the banks can obtain Dominion notes against them at 5 per cent. Otherwise you might look upon it as a sort of looping the loop.

It is rather interesting to note that this privilege of going to the Treasury Board with securities and rediscounting them is open only to the banks. It is not even open to the provincial governments. It is what you might call a bankers' bank, and I think a good deal might be done to widen the scope of the work done by the Treasury Board. It could very readily be taken over by such an institution as the central bank, which is being suggested. I would like to remind the House that these treasury bills, which the banks hold at the present time to an amount over $91,000,000, run for only the short period of six months. Does it not seem absurd that the Dominion government, in making use of its credit, should not only have to go to a third party, but pay more money for its borrowings than it charges the same parties when loaning to them, and that these notes should run for only the short period of six months?

I should like to say a few words with regard to the responsibility of note issue. The private notes are the first call on the assets of a bank in case it fails. It is true that we have what we call a note circulation redemption fund, but it does not serve the purpose that the public for a good many years have been in the habit of believing it does. It has been the impression of the public that if a bank went to the wall, all its notes would be taken care of by the note circulation redemption fund. This, however, is not the case. The fund comes to the rescue for the time being in the shape of a loan, but the entire amount that a bank which has failed can call on the fund as an asset for, is the amount it has paid into that fund. This is contrary to what has been the belief of the people of Canada generally up to a short time ago, but when the unfortunate failure of the Home Bank took place we found that the bank had outstanding some $2,000,000 of notes, and that it had only

$100,000 in the note circulation redemption fund, and that was all it could call upon as its part of the assets of that fund. The fund was intended to be to all intents and purposes an insurance fund, but as it operates at the present time under the Bank Act, it is not an insurance fund at all, except to the extent that it is a sort of loaning agency for the time being, but the loan has to be paid back when the assets, including the deposits of the bank, are realized.

Before I sit down I would like to touch on just a few of the very interesting matters that have come before us during the last two years, in the banking committee, and some of these are rather startling, particularly when we remember that last year we were informed that our Canadian banking system was so perfect that we could not amend the Bank Act with any satisfaction to the public, and that therefore it should not be amended.

It is realized to-day that there is no government guarantee behind the deposits of private banks. It has also been discovered that it is possible for the entire deposits to be seized to meet notes outstanding. It has been the impression of the depositing public for a good many years that if they put money into a bank all they had to do when they wanted to draw it out was to issue a cheque on the bank. That is true as long as the bank is running, however bad its condition may be, as we have seen in the case of the Home Bank, which has been in a bad condition for the last seven years; but when the bank closes its doors, what happens? We find that the first lien on the assets of the bank is the notes; secondly, comes the Dominion government, together with any advances made by the Treasury Board; thirdly, the provincial government; fourthly, any secured creditors,—and in the case of the Home Bank we found that they had mortgaged their buildings to a firm in New York;—and fifthly, come the depositors, who otherwise are unsecured creditors. A bank may lend an amount equal to its paid up capital to any one concern. This was proved in the case of the Home Bank and La Banque Nationale. Under the present system that could not very readily be seen, and I hope it will be checked, by the Inspector General who we hope will be appointed during the coming year. The system might be made more perfect by having a central bank of rediscount, with officials working in co-operation with the Inspector General.

We find also that to-day sixty per cent of the banks' capital is in bank buildings. To give an idea of the way the banks have been reduced in number—very largely because the small banks under the present system, and in the absence of a central bank of rediscount—have little chance compared with the larger ones, we find that in 1919 Canada had 36 banks and to-day it has only 14. As the hon. member for Vancouver South (Mr. Ladner) mentioned, four of our Canadian banks control seventy per cent of the total deposits, and the other ten control only thirty per cent.

A government central bank, in the opinion of many of us, should have complete control of note issue. This not only would relieve a great liability from the shoulders of the depositors, but it would be the means of bringing in a very large revenue to the government exchequer, and would relieve some of the burden now resting on the shoulders of the Minister of Finance.

Mr. W. F. MACLEAN (South York): I want to say in the first place that when I undertake to criticise in any way the banking institutions in this country, my main hope in regard to them is that they make double the money they now make, and that they may give four times the service they now give for that opportunity of making profits. I want to see the banks prosper, but the underlying principle of banking, the thing behind the banking of the country, must be, as it is in all the other countries of the world, before anything else, the credit of the nation. Banking has become absolutely a state proposition throughout the world. It is under the control of the state, it has the credit of the nation behind it, and the nation has the leadership in the banking of the country. That cannot be denied. It is the case all over the world to-day with the exception of Canada. In some way the private banks have got the leadership of banking in this country. But they have behind that leadership the national credit and they seem to control that as well as their own resources What we want to put behind our banking system is the nation. We also want the nation to have the control rather than the private banks and to give a banking service to the country at the lowest possible cost at the same time allowing the banks a reasonable profit.

Analogy is a poor kind of reasoning but let me give an analogous case. It is that of the railways of this country. Formerly private companies were in control of a great many of those railways and with the exception of one company they wrecked themselves and the country has to come to their relief, take over

the liabilities and the railways themselves and re-organize them into a great system of national transportation which to-day promises to be successful. The same thing, or a somewhat similar process, may have to be applied to banks because the banks are getting smaller in number, as has been pointed out here to-day, and they are becoming more of a monopoly. But the more they grow in that direction the more they wish to dictate the banking policy of the country. That should not be. The credit of the country should be behind the national banking system.

We have an example before us, and it is the one that makes the most impression on this country, the example of the national banking system they now have in the United States. I suppose I will be charged with advocating the introduction into Canada of the United States banking system. But that country adopted their present system after years of effort, after years of experience of great losses, after years of the failure of many banks. But gradually they have evolved a system which is satisfactory to that country, and the people of the United States would not change their national banking system to-day for any private banking system they had heretofore. They believe absolutely in the state being behind their system, and they insist on a national banking currency—a thing we ought to have in this country but we do not have. They insist also over there on a national system of bank inspection. We may have the beginning of such a system as that in this country but it was denied to us at the last session of parliament, and it was denied on the evidence of the private banks of Canada who do not want bank inspection. But in the United States the system of bank inspection is proving a great success, and it is weeding out the weak banks. Under their system,—the United States bank examiner has told us and we know it is a fact,—they can find out in three weeks whether a bank is sound or not. It took us eight years to find out that the Home Bank had been a failure, had lost a lot of money, and had been conducted in an improper way. Therefore what we should do is to study the proposition and see whether we should not adopt the system they have in the United States—a system of national banks and in connection with it a national currency.

I do not know who can object to this. We have a national currency but the effort of the banks is to make that disappear and substitute a bank currency which is not always reliable, which is questioned, and the retirement of which in times of trouble becomes a grievance to the country and a source of much complaint. There is no question of the solvency of the national currency. Hon. gentlemen say, and they said before the committee to-day, that there is a redemption fund. But how is it administered? It is not administered well. It allows the currency to be questioned, and that being so when a better example is offered us, such as they have in the United States, we ought to adopt it. That is not the only instance in which the banks over there have a superior system. Their system of rediscounting is as good as ours, in fact it is a good deal better. It allows the credits to be moved all over the country by the organization of the National Reserve Bank system. Every bank there has to be a member bank of some reserve bank system. Consequently it is always under the inspection of fellow member banks who know whether it is sound or not. It it has gone wrong they find it out, expose it, and cause a correction to be made. Under the system of bank inspection there if losses have occurred they are found out and the bank has to make the losses good; if their capital has been impaired it must be strengthened. In that way the American system is recognized as being much better than ours and is considered better adapted to the country. We ought also to make a study of these things which study should lead up to the improvement of our own banking system.

Mr. McCONICA: Is it not a fact that hundreds of banks have failed in the United States in the last few years?

Mr. MACLEAN (York): Most of them were state banks.

Mr. McCONICA: There were national banks also.

Mr. MACLEAN: (York): Some were national banks and many more would have failed if they had not had such a system of national banking as now exists there. That is my point if the question comes to an issue. It is the same with private railroads in Canada: They failed and the state had to come to their rescue. Now, let me point out what the underlying reason is for a good many of the bank failures in this country. It is the permission that was given to private banks to issue their own notes. We allow every bank in this country to issue notes up to the amount of its capital. Now, if you read the history of the bank failures in Canada—the long history of bank failures—and analyse the circumstances down to the last vestige of

evidence you will find that a lot of those banks went into business because of the temptation of being allowed to issue their own notes and put them in circulation, and in many cases they lent money to their friends. That is probably what wrecked the Home Bank and many other banks in this country—the unfortunate power that was given them of issuing bank notes up to the extent of their capital. Anything that is easy to get is easily parted with, and there was not that care in the administration of the banks that there would have been if permission to issue bank notes had not been allowed in the Bank Act. Therefore, I say it is high time that the banks should not be allowed to issue their own notes. If the banks want additional money—and I should like to see them have as much money as is necessary to lend to the business of the country—the system may have to be substituted for the present one of the country making advances to the banks up to a certain proportion of their paid up capital. That is to say advances might be made to them, perhaps at only 2 per cent, giving them government money to replace their bank note issue. There is no other country in the world where banks enjoy the privilege of issuing their own note currency. A bank has other ways of finding currency; it ought to find it out of its own shareholders, out of its own profits. Nevertheless the first thing a bank wants when it is organized is the right to issue notes to the amount of its paid up capital. In that respect they are and have always been careless, and it is high time that the banking system of this country were placed on a basis of national notes and not on one of bank currency. We have now national inspection, which is a good thing; and certain other improvements that have been advocated in this country from time to time would undoubtedly be of considerable advantage in the stabilization of banking affairs in Canada. There is a great feeling of unrest throughout the country at the present time. In Toronto we have what is known as the Provincial Savings Office organized by the late government of Ontario. This is a high-class savings bank, with a branch in Ottawa, and quite recently I have witnessed in both places large crowds in these banks, ordinary depositors apparently being anxious to put their money in. These people were getting their own cheques marked and it seemed to me that they regarded these banks as perfectly safe. It would be a surprise to the people of Canada to know how that provincial bank in Ontario is succeeding; and it is succeeding for the simple reason that there is throughout the country this feeling of unrest and uncertainty in regard to our banking system generally.

Mr. MARCIL (Bonaventure): They pay a higher rate of interest, do they not?

Mr. MACLEAN (York): No, I believe it is about the same. But these particular banks are giving satisfaction to the people, and the banking public feel that their money is secure in them. I wonder how many people in Canada know that we have a government savings bank which is operating in conjunction with the Receiver-General's office. That bank in my own province, Ontario, for some time received deposits and carried on a large business in the city of Toronto, but for some reason or other it was chloroformed about ten or fifteen years ago, by what government I do not know. The fact is, however, that upon investigation some time ago I discovered that it was not functioning in Toronto, and I have never heard any explanation offered of its discontinuance there. Yet it was one of the best savings banks I have ever known in Canada. Certain restrictions were enforced in regard to the withdrawing of money, but it was in all respects a high-class savings bank. As I say, it is no longer in operation in the province of Ontario, although I know it is still in existence in the Maritime provinces and in British Columbia. If there were in Ontario and Quebec a government institution of that kind I have no doubt the people would appreciate it. I should like to know from the Acting Minister of Finance (Mr. Robb) why the bank has been abandoned in Ontario, while it is still functioning in the Maritime provinces and in British Columbia. The people would be interested to have an explanation in that regard.

We have another savings bank in connection with the Post Office Department,—the Postal Savings Bank. This, however, is a very poor and old-fashioned institution and there is no reason why it should not be modernized. If the committee on Banking and Commerce were allowed free scope to consider all these questions I believe they could profitably take up the question of modernizing the Postal Savings Bank. These banks should unquestionably have the right of receiving deposits, and of allowing the depositor to keep his bank book and have his cheques marked and accepted so that he might be able to pay out money at will. But under the present system he cannot withdraw any money without fil-

ling in a blank and giving it to the local postmaster for transmission to Ottawa where the entry is made and permission is given for the withdrawal of the desired amount. That is not the way for the nation to conduct its banking business; if we are to have a postal savings bank it should afford the public the same advantages that are enjoyed in the ordinary banks. I regret that the Postmaster General (Mr. Murphy) has not been here this session, or at least that he has not had an opportunity of dealing with this, among other questions. I am informed that he has a plan in favour of the expansion and modernization of the Postal Savings Bank and that as soon as he returns he will bring it forward. But he is absent at present and in the meantime this unrest prevails throughout the country. The public in Ontario are now going to the Provincial Savings Office in large numbers, and as I said a moment ago I was surprised to observe the activity in connection with that institution. Someone, however, started an agitation to abandon this bank, which I consider it to the credit of the Drury government to have established. Great pressure has been brought to bear on the present government in Ontario to wipe out this provincial bank, but apparently without avail; the premier of the province evidently is not prepared just now to do anything of the kind. I know, however, that deputations have waited upon him for the purpose of getting that service in the city of Toronto extended to one section in which there were a great many depositors who had kept their accounts in the Home Bank. These people have waited on the premier of the province and requested him to open another branch of that bank in the east end, which happens to be the portion of the city which I represent in this House. So that quite obviously there is an increasing demand for the recognition and the enlargement of the provincial bank; and there is an equally insistent demand for the modernization of our Postal Savings Bank. This is simply because of the feeling of unrest which prevails throughout the country to-day; the people have seen private banks fail one after another, with considerable losses to depositors, and they desire to see something done to put our banking system on a sound basis. There was a great loss in the Home Bank, as there have been losses in other banks. It is true also there have been losses in the United States, where there is an improved banking system. But that is no reason why we should not study this question and empower a committee of this House to suggest necessary reforms. If I am to judge by the speech delivered this afternoon by the hon. member for Lotbinière (Mr. Vien), that hon. gentleman apparently condemns the system of national banking based on the credit of the nation and on national notes, as well as related matters of that kind.

Mr. VIEN: Let me correct the hon. gentleman. I simply said that the federal reserve system as it exists in the United States was not, in the opinion of banking experts, adaptable to the Canadian branch bank system.

Mr. MACLEAN (York): So much the worse for the Canadian branch bank system. We all know of course that we have in this country a branch bank system which is not perfect; but can we not make it a better system if that is possible? That is the issue. But the banks do not like to have any comparisons made that are at all to their detriment. They say, "Are we not giving you good service now? Do we not do this, that and the other?" Well, they do give us some kind of service, but that service can be very much improved. And in my opinion the branch system can be carried on successfully by the adoption of some of the improved methods which have been followed in the United States.

As regards the central gold reserve, I will not call it a humbug, because it is a substantial thing. But why should it not be in the control of the nation just as in the United States and in practically every other country? The central gold reserve in Canada is confined to Montreal, and is in the hands of the bankers, save alone that there is one representative of the government on the board. I see no reason, however, why the reserve should not be absolutely in the hands of the nation, in the national treasury, as in the United States. Once again I must apologize for advocating something which in the United States is superior to what we have in Canada; but I think we should create in this country, at Ottawa, a real treasury department, such as there is in the United States. In that country there is a highly paid national official, who has charge of the national treasury, who has charge more or less of the national reserves of the nation and of the note issue of the nation, how it goes out and how it comes in. He is a real national treasurer, not only for the nation in its organization as a nation, but for the whole country. He has control of the rediscounting of notes in connection with the federal reserve bank system. Who controls the national system? The national reserve,

and there are billions of gold in the national reserve at Washington. This is all done by the nation and without any idea of making money out of it. The national reserve at Washington looks after the national notes, and nobody ever questions the solvency of the national notes of the United States now. I remember, as a boy, just after the American war, seeing in Hamilton American national dollar notes sold for about thirty-five cents. From that degradation of an American note to that low figure, I saw it rise gradually to par, and now it is the best note in the world. The greatest amount of credit available for the world at large to-day is concentrated in the United States, and this is the gradual result of the creation of a great national system of banking based on the nation's credit. We want to do that in our country. If they have done it there, we may be able to grow in that direction.

Hitherto, nearly every critic who has come forward in this country to pass judgment upon any one who makes a proposal such as I am making here to-day, or as some hon. gentlemen who have preceded me have made, say that we are suggesting Yankee notions. The outcome of those Yankee notions is the creation of the greatest banking system in the world. I do not place even England before it, because England has had to come to the national banking system of the United States to take care of the immense national debt she created in the war. That question was settled and arranged at Washington, and England's debt is being retired at Washington. The United States, it is true, was in the war, but not to the extent that the Mother Country was and the national banking system of the United States is the organization the world looks to now to clear up the mad condition of affairs in Europe. It is the hope of the world to-day, if war is ever to cease and we are to get on our feet. If Germany is to be redeemed and put on her feet after the war, she must do her financing by way of the United States on the basis of the national banking system.

I have nothing to say against the banks of this country, which have done good service, but they are growing into a monopoly. Where is this going to end? I am not going to make any prediction as to what will happen, but I shall be greatly surprised if you do not see, in the near future, more mergers in this country. As the system is moving that is inevitable. There are four big banks and a number of smaller ones, and I do not know that the smaller banks can get along in view of the opposition of the four big banks. What we want is to go back to the small bank. These are the ones that have made the failures, it is true; but if they were prohibited from making note issues against their capital, as they are allowed to do now, I believe the smaller bank system is what we want. We want local banks, organized by groups of local capitalists, to collect the deposits of their localities and to put them into local industries.

Mr. LEWIS: I rise to a point of order. This is a general discussion on banking and not on the widening of the powers of the banking committee.

Mr. MACLEAN (York): I am not out of order. According to the understanding of the committee this morning, the report has opened up the whole question of the banking conditions of this country; but if I am transgressing any rule, the Speaker will call me to order. I am surprised that my hon. friend (Mr. Lewis), who is supposed to be a Progressive, does not like to hear progressive views in this House. He is sitting at present beside the leader of the Progressives (Mr. Forke), and I do not know whether the leader of the Progressives likes the fellowship. This is the only opportunity I have of discussing this subject. I was debarred from discussing it at any time I was in the committee, and I was ruled out this morning by the hon. member for Lotbinière (Mr. Vien). The question is up now and all we ask is that a study be made by a committee of this House, just as I urged in this House that we should do in connection with the public debt. If there is anything in Canada that is as important as the committee to study matters of banking, it is a committee of this House to study the national debt. It is absolutely within the right of the Minister of Finance to create a public debt; to say of what nature the securities are to be, what is to be the rate of interest; to name the place of issue and the place of payment. But at this time, after the Great War, and in view of the enormous debt that we have incurred, this House ought to have a committee studying the national debt, just as a committee was appointed by this House the other day to study the question of the National Railways. Times have changed and we must change with them. Parliament must adapt itself to the new conditions which are far-reaching. There are no questions which are so important and which have widened so much as those of banking and the national debt. These matters should be studied, in the first place, in the committees and then in this House. All that the Banking and Commerce committee and those who are speaking here

to-day are asking is that the powers of the committee to study banking and to suggest improvements be enlarged. We have on that committee men who are prepared to give their time, to bring witnesses, to study these questions, and where they think an improvement can be made they will make a report indicating to the House that improvements be made in the directions I have indicated.

We want a system of rediscount in this country. We have started such a system which is meeting the requirements of the country, and that is all right; but the late government gave us that improvement and I want to see it continued. So far as I can gather now I understand the parties in this House are in the same boat as regards national banking. I believe the government

5 p.m.

are in favour of National Railways; the late government believed in National Railways; the Progressive party believe in National Railways. There is, therefore, no reason why these three parties in this House should not unite in favour of national banking, and I believe they are going in that direction. The only one who is holding back is the Acting Minister of Finance (Mr. Robb), who does not want to hear anything at all about it. He has said to-day that he wants suggestions and he has evidenced on other occasions a desire to hear. But while he is a good listener, he is only a limited actor. He had only a few things to say to-day, but he has come to the idea that there must be banking inspection in this country. We now have it and I hope it can be improved. I believe in this system of national banking, but most of all I believe in a committee of this House having full charge of banking matters affecting the Dominion, with authority to study banking conditions and the financial and economic dislocation throughout the world as a result of the war, and the reconstruction that must follow. For this purpose there is no better body than such a committee. Therefore I trust that the government and my hon. friends to my left, the leader of the Conservative party (Mr. Meighen) and the leader of the Progressive party (Mr. Forke) will express themselves in favour of the committee on Banking and Commerce being granted the authority asked for. Despite all that may be said against the political mistakes of our neighbours, there is no doubt that they have evolved the best banking system in the world. They have no bank note currency, and yet all the banks in the United States are making money hand over fist by using the national currency. That being so, why could not our banks do the same if we adopted a similar system. No one has ever given me a substantial reason for maintaining the disagreement between the banking systems of the United States and Canada. That subject alone is worthy of consideration and could be investigated by the committee if its powers were enlarged as requested. I hope, not because of what I have said but because of the feeling throughout the country, that we shall have from the government and from the leaders of the other parties in this House an expression of their views on this question. For instance, I should like to hear from my friend the former Minister of Finance (Sir Henry Drayton), who introduced much of the beneficial legislation which has been referred to, as to whether he is prepared to say that the Banking committee should be limited in respect to its activities; also, whether the time has not come for the creation of a committee of this House to study in co-operation with the Minister of Finance and his department the consolidation of the national debt at a low rate of interest; and finally whether the Minister of Finance had better take example by what obtains in the United States and create here in Ottawa a national treasury which will give real leadership to our private banking organizations and protect the rights of the public against anybody who may seek to encroach on them hereafter.

Mr. G. G. COOTE (Macleod): Mr. Speaker, first of all I should like to reply very briefly to two arguments which were advanced by the mover of the resolution (Mr. Vien) this afternoon. He seemed to think that certain members were advocating the study of a central banking system because of the difficulties which confronted them in a particular part of the Dominion—referring of course to the western members. I wish to assure him that I do not approach this question from a sectional point of view. The difficulties which Canada is labouring under, so far as our banking system is concerned, affect very seriously all parts of the country. He quoted several of our prominent bankers as being in opposition to the establishment of a federal reserve or central banking system; but I do not think their opinion should carry much weight with this House, because those same prominent bankers could have been quoted a year ago as being actively opposed to any government supervision or inspection of banks, and to-day we find the Acting Minister of Finance, who is I think very conservative in his views regarding financial matters, bringing down a resolution

for the establishment of a system of government inspection of banks. So, it seems to me, we must be prepared to study these banking question, even though opposition is expressed by our leading bankers.

The hon. member also said that it was not customary to make radical changes in the Bank Act except at each decennial revision. I would draw his attention to the fact that while the act was under revision a year ago a number of members stated before the committee that they did not agree with that view and did not intend to be bound by it. I think that is an expression of opinion which should be reiterated here. There is too much of a tendency in Canada to regard the Bank Act as being like a law of the Medes and Persians—unchangeable.

We are discussing this question to-day because of a ruling of the chairman of the Banking committee that we could not inquire into the advisability of establishing a central bank. I was under the impression when the hon. member for Pontiac (Mr. Cahill) moved his amendment to the motion made by the hon. member for East Calgary (Mr. Irvine) that we would certainly be allowed to discuss any question which was closely or definitely related to the banking system, or which might tend to improve the system. I cannot see any reason why members of this House should endeavour to limit any inquiry which might be made by the committee, and if any members object to the enlargement of the powers of the committee the onus is on them to show cause. It seems to me there are reasons enough for widening the inquiry, in the failures and mergers among our banks during the past year, which surely have been sufficiently serious to warrant inquiry into the merits of what might possibly be an improvement on our present system. Among these untoward happenings, we have the failure of the Home Bank with a loss to its depositors of ten or eleven million dollars, which has certainly shaken the faith of bank depositors; the failure of the Banque Nationale, with a loss which we are not permitted to know the extent of, but the provincial government of Quebec voted a bond issue of $15,000,000 to be loaned to the Bank of Hochelaga to enable it to take over the Banque Nationale; the amalgamation of the Bank of Hamilton and the Bank of Commerce, the reasons for which were not divulged; and the writing down of reserves by other banks. In view of these facts, what reasons can be advanced for limiting the scope of inquiry by the committee? If any member of the government or any member of this House endeavours to prevent inquiry into matters connected with our banking system, it seems to me that they should be willing to be held responsible for any losses which may occur to bank depositors within the next year. I do not see how they can escape that responsibility.

A year ago the Bank Act was renewed for ten years, against a good deal of opposition. We were assured at that time by many hon. members that we had the best banking system in the world; that the system had grown up under this act and that we should not make any changes because it would impair the confidence of the people in our system. But at that very time the Minister of Finance (Mr. Fielding) and the ex-Minister of Finance (Sir Henry Drayton), both of whom sat in our committee through nearly all its deliberations, knew that two of our banks whose charters were being renewed were not entitled to any confidence from the Canadian public. In view of these facts why should hon. members argue that we should not be allowed even to study the question of the establishment of a central bank, something that almost every other country has in one form or another?

The mover of this resolution, the hon. member for Lotbinière, (Mr. Vien) argued this afternoon as to the merits of a central bank from the results of the federal reserve system in the United States. I would not advocate exactly the same system as they have in the United States, but it might be well for us to study whether or not that system has been of some benefit in the country to the south. I have had some correspondence with a gentleman in the city of Washington who is very well acquainted both with the United States banking system and with the Canadian system, and in one of his letters to me he said:

> The federal reserve banking system has been in operation for ten years, and its merits have long ceased to be a subject of debate.

He says further:

> No public man in America would care to suggest its repeal or to deny that it has been of the greatest benefit to the United States.

In another letter he says:

> The federal reserve bank has no selfish purpose to serve. Its profits go into the treasury. It does not favour one section of the country at the expense of another or one business instead of another.

I do not think that can truthfully be said of our present Canadian banking system, because it is charging rates of interest which

average, I think, three per cent higher in certain provinces than in others.

It has an almost inexhaustible reservoir of money and credit because behind it are all the resources and credit of the United States. The result has been a great expansion of business, the doing away with the old panics and money corners and a control of the currency and credits of the country by the government instead of by private corporations.

I have here a letter from Mr. John W. Pole, Chief National Bank Examiner, Washington, who appeared before our committee a short time ago. In regard to the earnings of the Federal Reserve Bank. He says:

The gross earnings of the federal reserve banks from their organization up to December 31, 1923, amounted to $598,845,776. Up to that date the federal reserve banks had invested the sum of $69,124,530 in bank buildings, which amount was paid out of the profits of the banks. During the same period the government has received from the reserve banks $139,000,997 in the form of taxes, the balance of the net earnings having gone to surplus.

If the Acting Minister of Finance decides to accept the recommendation of the committee with regard to the Home Bank and reimburse the depositors, he might, through the establishment of a central bank, secure enough profits to pay for the reimbursement of those depositors, and do it within a very few years.

I would also like to quote to you from this letter Mr. Pole's figures regarding note circulation in the United States, because I think the question of note circulation is closely connected with the question of the safety of depositors, which our committee was supposed specially to consider. He says:

National Bank notes outstanding December 31, 1923..	$ 771,566,979
Federal reserve notes at peak on December 23, 1920..	3,404,831,000
Federal reserve notes on June 4, 1924.. ..	1,884,039,000
Federal Reserve Bank notes at peak on December 26, 1919..	261,039,000
Federal Reserve Bank notes on June 4, 1924..	none

I would draw the attention of hon. members to the figures there in regard to federal reserve notes, which show the elasticity of their note issue in the United States. Their note issue under this head in 1920 was $3,404,000,000, while in 1924 it has fallen to $1,884,000,000. The federal reserve system in the United States has taken care of the shortage of currency which they sometimes experienced prior to the establishment of that system.

I think we have in Canada, Mr. Speaker, the most expensive banking system in the world. They charge average rates of interest varying from 7 per cent to 8 per cent—I

quoted the exact figures in the House a year ago and do not wish to repeat them now. but they are somewhere in that neighbourhood. They pay 3 per cent to depositors. They have the privilege of issuing their own notes, up to the extent of their paid-up capital, with a tax of 1 per cent on that circulation. I have here a statement which I have received from Mr. Pole regarding the earnings of national banks in Federal Reserve District No. 4 for the year ending June 30, 1923. I asked Mr. Pole for this statement because the aggregate capital of the national banks in that district is approximately the same as that of our banks in Canada. The statement says:

Aggregate capital: $128,290,000.
Aggregate surplus: $113,444,000.

Gross earnings..	$100,283,000
Expenses..	68,546,000
Net earnings..	$31,737,000
Recoveries	2,916,000
	$34,653,000
Losses..	9,846,000
Net profits..	$24,807,000

Total dividends declared: $16,834,000.
Ratio:

	Per cent
Dividends to capital..	13.12
Dividends to capital and surplus..	6.96
Net profit to capital and surplus..	10.26

The average rate of interest charged by the banks in this district was 6 per cent.

Mr. MACLEAN (York): What is that district?

Mr. COOTE: It comprises the state of Ohio, western Pennsylvania, eastern Kentucky and northwest, West Virginia, and the banks number 764. Our banks in Canada are charging rates of interest much higher than that, and they cannot show anything like as good earnings. In addition to that, our banks have the privilege of the note issue, a privilege which the banks in the United States have only to a very limited extent and not on as easy terms as the banks have in this country.

I would like to point out one other thing before I leave this statement. In the United States the national banks are required to show their gross earnings and also their expenses. In Canada our banks are not required to show that, so we do not know why they are not able to run their business as advantageously or as cheaply as the national banks in the United States do. My own impression is that our Canadian banks are incurring too many losses, and they are burdened with too much overhead, too much of

a staff for the amount of business they are doing. That is something that I think is inherent in a big branch banking system.

I want now to refer to the deliberations of the Banking and Commerce committee last year, as they have a bearing on our actions this year. Let me remind the House that the hon. member for Centre Winnipeg (Mr. Woodsworth) made a proposal in that committee for the appointment of a government auditor of banks. That proposal was turned down by the committee; in fact, it met very little support. But this year a proposal made by the Acting Minister of Finance himself on very similar lines was accepted—showing how we have changed our attitude in this matter. The reason for that change of attitude on the part of members of the committee was largely because of the bank failures which have taken place in the last year. I think that fact alone should influence members of this House in allowing the scope of the inquiry to be widened. I have no doubt that before the next decennial revision of the Bank Act is due we shall have to establish some sort of a central bank in Canada. I do not wish to dwell at any length on the number of banks that have disappeared in the last thirty years; that has been referred to often enough. We are down now to a very small number, and that number is likely to be further reduced. I believe the establishment of a central bank would do something to check the disappearance of the smaller banks. I believe also that the question of the safety of deposits has some connection with the establishment of a central bank, and for that reason alone I think the House should vote to widen the scope of the committee's inquiry.

In a little booklet issued by the Canadian Bankers' Association last year, it is stated on the authority of that association that the depositors have a fourth mortgage on the assets of the bank. One of the prior mortgages is the claim which the notes of the bank have on its assets. Mr. Neill, General Manager of the Royal Bank, stated before our committee this year that a bank could do business without the privilege of issuing its own notes, but that it could not carry on its business, without the deposits of the public. Now if that is the case, what good reason can we give to those depositors for putting their claim lower down in the scale than the claim of the man who holds the bank's notes? Why should a note of that bank have a prior claim on the assets of the bank, when, as Mr. Neill says, the deposits are necessary to the operation of the bank, while the privilege of issuing notes is not? If these notes are not to be issued by our banks, they must be issued by the government. I agree with the hon. member for South York (Mr. Maclean) that we should have a government issue of notes in this country, that the issuing of notes should be limited to the government, and then there can be no question of the noteholder's security. We should not have to bolster up that security by giving the noteholder a first claim on the assets of the bank. If we are to have government issue of all notes, I think we should have some kind of a government bank, with offices in different centres throughout this country, so that these notes can be made available to the people for carrying on their business. At the present time the only way an individual can secure a note, even a government note, is through our chartered banks, and we are now in the hands of fourteen chartered banks, and it is possible that in the years to come we may be down to a very much smaller number than that, and be in reality in the hands of one bank; and as one witness before our committee intimated this year, that might mean the control of finance in Canada by one individual. What good reason can be given to the people of this country for not making government notes available to them for their trading purposes except through private corporations?—for that is what our chartered banks are, nothing more or less? This is a question which, I believe, is going to receive consideration at the hands of the people before very many more years have passed, and I think the time to study it is now. I cannot see why we should not be allowed to discuss this question.

Just one other point in regard to the safety of deposits: The logical way to safeguard deposits is to make the Post Office Savings Bank available to the people in a wider sense than it is now. We had a representative of the Post Office Department before our committee, and I asked him the question whether there had ever been any loss to depositors in the Post Office Savings Bank, and he assured me there had not, and never could be. Then why not make these facilities more easily available to the public If we are to receive any large amount of deposits through our Post Office Savings Banks we should have a national bank to handle those deposits when made, and then the deposits would be available to our banks or to our rural credit societies through rediscounting by the central bank.

In 1914, when we went into the Great War, Sir Thomas White, then Minister of Finance, called the bankers together, and they decided that we needed something to bolster up the Canadian banking system, and that we had to have it in a hurry. I should like to quote a few lines from an address Sir Thomas White gave in Toronto, referring to what he said at this meeting of the bankers held here in Ottawa:

> We said to the banks: The Dominion government will loan you in Dominion notes, which are legal tender, twenty-five, fifty million dollars; we put no limit, if you need it, you probably will not, but if you do, we will loan without limit on securities approved by the minister. You bring in high-class securities, or commodity bills, because they represent their full value in goods, and we will lend to you at 5 per cent Dominion notes that will make you liquid, and you need not worry about your reserves. There was no more panic after that announcement was made. From that day to this there has been the utmost confidence in the Canadian banking situation, no sign of panic. That gave flexibility to our banking system, made our bankers confident that they could meet any situation that could arise, and, of course, they could give the public very much more extensive credits than they otherwise would have got.

Later on he says:

> It was the right thing to do, but no permanent measure followed.

In a recent issue of MacLean's Magazine I saw that Sir John Aird was quoted as saying that in his opinion the inspection of banks is not very practicable, and is not needed, but he would suggest that the Finance Act be made permanent. I would suggest to this committee that if the Finance Act is to be made permanent, surely we should have some sort of a permanent board to administer it. The act is administered at the present time by the Treasury Board, which consists of four cabinet ministers. They may know something about banking, and then again they may not know very much. The next government that assumes office—and I suppose we will have a change some day—will cause a complete change in the personnel of the Treasury Board and the new body will then have to administer the act without having the benefit of the experience of their predecessors. To show you how the Finance Act is administered, I will quote one clause from the act.

> Such securities shall be deposited with the minister or with an assistant receiver general. The minister may request the trustees of the central gold reserves to make a valuation of and recommendation as to the amount which in the judgment of the trustees may properly be advanced on any securities offered in pledge under this act.

I am informed that the trustees of the central gold reserve are the Bank of Montreal, the Royal Bank, the Canadian Bank of Commerce and the Royal Trust Company, the last named being a subsidiary of the Bank of Montreal. That is practically placing the administration of the Finance Act in the hands of three banks and they are three of what are generally termed the "big four". Is that not creating a monopoly of banking in Canada? Why should the other banks of this country have to have their securities valued by three of the big four banks in this country when they come to the Treasury Board and ask for an advance under the Finance Act? Would it not seem wiser to have a central bank, with a practical banker at the head and a few experienced bankers under him, to judge the securities that are offered?

Let me also draw your attention to another very great failing in the administration of the present Finance Act. That act works like a machine in maintaining the rate of interest, at 5 per cent all the year round and 5 per cent every year. At the present time money can be borrowed in New York at rates as low as 2 and 2½ per cent. Why would our banks wish to come to the Finance department at Ottawa and pay 5 per cent if they can go to New York, deposit securities there, and borrow money at 2½ per cent? I have heard that is being done by some of our Canadian banks and I do not blame them; I think it is good business for them to do it. But I do ask that our Finance Act should be administered in a businesslike manner. If these banks can obtain advances in New York at 2½ or 3 per cent why should not these trustees see to it that money is loaned to the banks at the same rate of interest? Canada has made a few million dollars from the operation of the Finance Act. In this House last year when Hon. Mr. Fielding was quoting the sums which had been made I believe the ex-Minister of Finance (Sir Henry Drayton) observed "Yes, and it is all clear profit". Why should we not make a little more profit from the operations of the Finance Act, and at the same time make money available to our people at a lower rate of interest than is now obtainable under the act as at present administered? Because that administration is tending to hold up the wheels of industry in this country, tending to restrict credit, and restriction of business follows from the restriction of credit.

There is one other point I wish to speak upon before I take my seat and that is the question of the rate of exchange. I have here several charts showing the fluctuation in the rate of exchange on New York for the past three years. In 1921 the rate of exchange was fairly steady with a variation during the year of from a discount of ¾ of

1 per cent to slightly over 2½ per cent, which point was reached in June. At the close of the year exchange was quoted at about 1¾ per cent discount. In the year 1919 the average discount rate of exchange for the first three months of the year was approximately 2 per cent. For the next three months it was approximately 3 per cent. In July it reached a rate of 5 per cent, dropping back to 3 per cent in September, but in December reached a high point of 11 per cent and at the close of the year was slightly over 9 per cent. In 1920 there were very violent fluctuations in the exchange rate. In January it gradually rose from 9 per cent to a high point of 12 per cent. On the 4th February it had risen to 17½ per cent and with slight fluctuations gradualy fell until by the end of March it had reached 9 per cent. In April it reached a high point of 12 per cent; in May it fluctuated from 9½ to 13 per cent; in June it varied from 12½ to 15½ per cent; in July it varied from 14½ to 12 per cent; in August it varied from 14 to 12 per cent; in September it varied from 9 to 12 per cent; in October it varied from 8½ to 12 per cent; in November it varied from 10½ to 14 per cent. In December it was 13½ per cent on the first of the month, but on the 21st had risen to 19¼ per cent and closed the year at approximately 17 per cent. In January 1921 it varied from 18 per cent to as low as 10 per cent, rising again in February to about 16 per cent, then gradually declining, showing a high point of 13 per cent in April; 12½ per cent in May, rising again in June to over 14 per cent. In July it reached a high point of 15 per cent, but in August it dropped back to 10½ per cent. In September it had a high point of 13¼ per cent and a low point of 9¾ per cent. In October and November the rate varied slightly over 1 per cent, opening on December 1st at 9¼ per cent and closing December 31st at 5 per cent. In January, 1922, it rose to 7 per cent declining gradually and closing in February at 2 per cent. Variations in March were from 2 to 4¾ per cent; variations in April from 1 to 3 per cent, but during the balance of the year the fluctuations were not very violent. The year closed with exchange at a discount of about 1 per cent, although our exchange reached a premium of 1/8 per cent during October and November, 1922. In 1923 the rate fluctuated from a discount of 5/16 of 1 per cent to a discount of 3 per cent in the month of July, and at the close of the year was quoted at 2½ per cent. I have given these fluctuations at some length to bring the matter more clearly before the House. This continued fluctuation of the rate of exchange is a very great handicap to all our importers. We might take for instance the importer of raw cotton, who probably has contracted months ahead for his supply of cotton at a given price. He is probably obliged to make payment at the time the cotton is delivered, and between the time at which he purchased the cotton and the delivery of the same the exchange may have varied as much as 10 per cent, the result of which would be to increase the cost of his raw material to that extent, with no corresponding advantage to him when he sells his finished product, unless by that time the exchange rate has again risen. It is quite possible that between the time he paid for the goods and the time his finished product is ready for sale there might have occurred a variation of more than 10 per cent in the rate of exchange. The manufacturer never knows what the rate of exchange will be when the goods are manufactured, and that certainly must affect his business. I think it is one of the great uncertainties which our manufacturers have to contend with at the present time. It adds to the risk of their business and consequently they must enhance their rate of profit in order to take care of the risk.

I doubt whether there is a more important question affecting the business of Canada than this question of exchange. It is very seriously affecting our producers. Apparently it is not wise to return to the gold basis, because Sir John Aird, who I think is the greatest authority on banking in Canada, is quoted as having said that the Finance Act should be made permanent. If we are not to return to the gold basis—I do not think we are and I am not advocating that—the only rational way in which we can control the rate of exchange is through a national bank. At present the rate of exchange is almost absolutely in the control of the banks. I do not know whether they are working in unison to control it, but apparently they have not done so in the past whatever they may be doing now. If they are not, then the rate of exchange will have to take care of itself, with the help of exchange speculators. The speculators in exchange have been making money, sometimes losing; and any money they make is made at the expense of the business people of the country. If these people are to be reimbursed the only way in which this can be done is by their adding to the prices of their goods. A national bank could control the rate of exchange and keep it fairly constant. I think it is an open question whether it would not

be to the advantage of this country to maintain the rate of exchange at par with Great Britain rather than with the United States. I repeat, however, the statement that the question is one which is open to question. But wherever the level of exchange is to be maintained we should have a national bank to maintain it; and it should be maintained in the interests of the country and not by private banks to their own advantage.

Mr. ROBB: If the rate of exchange just now were at par with Great Britain, would it not add materially to the cost of coal, raw cotton, iron and other products that are used for manufacturing purposes?

Mr. COOTE: It would, and our manufacturers would increase their prices proportionately; so that possibly they would not be worse off.

Mr. MARLER: Is that what my hon. friend would like to have happen? Would he like to see the cost of goods increased to the consumer? I thought he was a free trader.

Mr. COOTE: I am a free trader.

Mr. MARLER: You might answer that question.

Mr. COOTE: I am not anxious to have the cost of goods increased, but if the hon. member will wait until I put a question to the Acting Minister of Finance he will see what I am driving at.

Mr. MARLER: The hon. member is a protectionist in finance.

Mr. COOTE: Not at all, not that I know of. This is the question I want to put to the Acting Minister of Finance: How are our producers in this country who are producing for the British market to compete with, say, the producers of Australia, of Denmark, of the Argentine, if the exchange in those countries is practically on a par, or lower, with Great Britain while ours is at premium? I had a little clipping from an article published by our Department of Agriculture showing the disadvantage under which the Canadian producer of bacon labours in competing with the producer in Denmark. I am sorry I have not that article here to quote to the minister. However, let me put this question to the hon. member for St. Lawrence-St. George (Mr. Marler), who I know is a student of this subject: How are we going to compete with Australia and the Argentine in the sale of wheat to Great Britain if the producers of those countries can transfer the pounds sterling they get for their wheat into a greater amount of currency of their own than the Canadian producer can? I will not say that this argument applies to articles that enter into the cost of living, but our producers are working to pay off the interest on debts contracted in a period of high prices. How then can they compete with the wheat producer in the Argentine, in Australia and in India when those people have a much lower rate of exchange than we? Almost all hon. members in this House complain because of the unfavourable trade balance between Canada and the United States; they deprecate the fact that our people are so prone to run to the United States to spend their money rather than spending it at home. They wish us to increase our trade with Great Britain rather than with the United States. But would it not be easier to trade with Great Britain if our exchange were on a par with that country rather than with the United States? I want to remind the House, however, that I said at the outset this is a debatable question, and I am not stating where the rate of exchange should be maintained. But so long as we are not on a gold basis the rate is apt to vary up to twenty per cent, as it has done in the past two or three years; and if that is the case, one of the most important questions before our business people to-day is the control of exchange. And I do not see how you can control it in the interests of the nation except through a national bank. Last night we discussed the question of a new bond issue, and the question was as to whether it should be floated in the United States or in Canada. The floating of bond issues is a matter that should be in the hands of a national bank. A year ago, I believe, the Minister of Finance (Mr. Fielding) told us that it cost $2,250,000 to float an issue of $100,000,000 in New York, and I have been told that one of the banks in this country received fifty per cent of that, which would be $1,125,000. Whether that is correct or not I do not know, and possibly it is not relevant at the present time. But if we had a national bank these bond issues could be floated at par and they would not cost this country more than one-eighth of one per cent, which would take care of the clerical work involved.

To sum up. We should have a central bank, first of all, for the issuing of notes, and secondly for the handling of the re-discounting privilege for small banks and rural credit societies; for I am firmly convinced that the people will not be satisfied to continue with the few banks that exist to-day. We must have some more small banks, and if these are to be established in such a way that they

can operate successfully and compete with the big banks they must have a re-discounting privilege. That re-discounting privilege must be handled by practical bankers. There should also be some safe place for the people to put their deposits. I believe the Banking committee is opposed to the removal of the note issue privilege from the banks, and the people should therefore have some safe place for deposits provided by the government. There is also the handling of the rate of exchange. Surely the logical and the proper way of dealing with the entire situation is to establish a central bank, the profits of which I am sure would enable the government to reimburse the Home Bank depositors in a period of two years.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, in the course of the debate this afternoon the discussion, perhaps through inadvertence, on the part of some hon. members, I had almost said through lack of appreciation of the words set out in the order of reference or the report of the committee, has covered an exceedingly wide range of subjects, the arguments embracing many questions of finance and banking not, in my opinion, intended at all to be covered by the report of the committee. Even the hon. member for West Calgary (Mr. Shaw), speaking with his usual ability, did not seem to confine himself precisely to the question under discussion. He spoke about bringing together disorganized and incoherent ends or creating a supervisory board.

The question which is before the House at the present time is very clear and distinct. The report of the committee asks simply that the order of reference be enlarged so as to embrace the study and consideration of some type of properly administered central or reserve bank The hon. member for Vancouver South (Mr. Ladner), during the course of the debate this afternoon, I understand, stated that the principle should be that when a committee came forward with a request to enlarge its reference or for permission to study any particular subject, that request should be immediately granted by the House of Commons. I cannot admit that argument for a moment. Committees are charged by the House of Commons with certain matters regarding which they are to debate, discuss, take evidence and subsequently report to the House. There would be no object in this reference to the House coming forward for debate this afternoon if the committee itself had power to decide to go into this complicated subject. But, as a matter of fact, if I follow the argument of the hon. member for Vancouver South, twenty-two members out of a committee of ninety members, came forward and asked the House of Commons to enlarge the scope of their inquiry so as to embrace the study of a properly administered central or reserve bank. Hon. members have a right to decide and should decide whether or not this particular question should be studied at all. If they are of opinion that the matter should not be studied, this report should be rejected. If they are of opinion that the question should be studied, this report should be adopted. In estimating their opinion, in making up their minds on this subject, hon. members will have first of all to decide whether or not the question of a central or reserve bank is one which should be considered at all. They will want to know whether or not our banking system is adapted to the establishment of a central reserve bank, and what effect its establishment would have on our banking laws. If they come to the conclusion which I myself have reached, I think they will decide that there is no necessity at the present time for the introduction of a central reserve bank into our banking system. Holding that opinion, Mr. Speaker, I think that this report should be rejected.

In giving my reasons why I think a federal reserve bank or a central reserve bank—it does not make much difference how it is described—should not be grafted on to our banking system, it seems to me that it will be well to survey the basis of our banking system, because it goes without saying that if this system is not adaptable to a central reserve bank, it would be the height of foolishness to assert that such a bank should be established. Our banking system is based on what is known as the branch bank system of Great Britain, that is to say, a certain number of large banks each with numerous branches throughout the country. In contradistinction to that system we have the United States system, which is based on what is known as the unit system, each unit being independent and forming a banking entity. I quote the United States system because in that country they have a Federal Reserve Bank, which I will discuss later on.

Now, in the course of this debate the question has arisen as to the number of banks in this country, and this question has a bearing on the subject matter before us. We have been told, quite correctly, that we have fourteen chartered banks, and the opinion

has been expressed that possibly this is too small a number to handle the banking business of the country. In this connection it will be interesting to make a comparison with the number of banks in Great Britain. There 80 per cent of the banking business is carried on by five large banks having over seven thousand branches, as compared with our fourteen chartered banks with over four thousand four hundred branches. This comparison, it seems to me, demonstrates that we have a sufficient number of banks.

In determining our attitude towards the question now before us it is important to understand the United States banking system. They have 8,000 national banks and 23,000 state banks, to say nothing of trust companies, private banks, and concerns of a semi-banking character.

Let us look briefly into what are the main purposes of banks in general. These are, first, the issuance of notes, in which of course is included security for the notes; secondly, the taking of deposits, in which of course is also involved the safety of the depositors; thirdly, elasticity of circulation; and fourthly, elasticity of credits, which of course includes privileges of re-discount and such like. All these functions are inherent in our banks and are exercised by them. But before dealing with these various functions let us see what the result of our banking system has been. I think some hon. gentlemen are very apt to belittle our banking system, to say that it has not sufficiently built up the country, and that some new system should take its place, a part of such new system to be a central reserve bank. Let us consider the failures of Canadian banks since confederation and compare the losses sustained by noteholders and depositors with similar losses which have been sustained by these two classes under the unit system in the United States. Since confederation we have had only twenty-seven bank failures. Of these two are not reported, one being a small bank called the J. C Dale Bank of Madoc, Ontario, and the other the Exchange Bank of Montreal. I might say in parentheses that two Exchange Banks failed, the one to which I refer having closed its doors in 1871. Three of these defunct banks are in process of liquidation, namely the Farmers' Bank, the Bank of Vancouver and the Home Bank. Now, what happened as regards the other twenty-two failures? Outside of one small bank, the Acadia Bank, which had liabilities of slightly over $100,000, all the noteholders of those twenty-two banks have been paid in full. Of course, since the creation of the bank circulation fund all noteholders of defunct banks have been paid in full.

Now let us look at the record as regards the depositors of these twenty-two failed banks. This is what appears: Of the 22, in the case of 12 the depositors were paid in full; 3 paid 90 per cent or over; one paid 75 per cent; 4 over 50 per cent; one 30 per cent, and one 17½ per cent. In other words, 15 paid 90 per cent or over It seems to me that that record as regards our banking system, although it may not be perfect, is a good and sound record, one that I think we should be proud of, one that those who built up the banks in the country should be proud of, and one that has served the country and its upbuilding exceedingly well. What was the result in the United States? Of course there are many more banks there than we have in Canada, and the population is greater. We understand, too, that some of the banks are small. But we are not comparing the size of the banks; we are comparing the two systems, the branch system and the unit system, with a view to seeing whether a central reserve or federal reserve branch, call it what you will, is adaptable to the system that has grown up in this country.

What, then, are the results in the United States as regards failures? For the year ending June 30th, 1922, the failures were 306 state banks, 35 trust companies, 12 private companies, 11 savings banks, in all 364 banks.

Mr. LADNER: How many of these were members of the federal reserve system? In other words, how many were national banks?

Mr. MARLER: I do not think any of those I refer to were national banks.

Mr. LADNER: Then the result so far as they were concerned has no relationship to the question of a federal reserve system, because these banks were not in the system.

Mr. MARLER: That is not the point I am discussing at the moment. I am discussing—if my hon. friend will have a little patience—the question whether the federal reserve system is adaptable to our system. I was giving the record—possibly my hon. friend did not hear my remarks—as to our banking system, and I was giving the record also of the United States failures. I have the figures also as to the failures of banks in the federal reserve system, which I will take up later. But I am not prepared to say that any of these particular banks were Federal Reserve Banks, in other words, national banks. But under the unit system of banks, which is the system in the United States as distinguished from the system in our country, those were

the failures in 1922. I was going on to say that for the nine years ending the 30th of June, 1922, 775 state banks alone failed. The hon. member for Vancouver South (Mr. Ladner) asked me a question as to federal reserve banks. That question is answered on page 133 of the evidence taken before the Banking and Commerce committee. The hon. member for Vancouver Centre (Mr. Stevens) was speaking about national bank failures. He said to the witness, Mr. John W. Pole:

I am taking six years. Take 1914: there were 19 national bank failures and 193 state bank failures, with a total loss of approximately $55,000,000 in 1915 there were 18 national bank failures and 115 state bank failures with a total loss of about $37,000,000; then there were a few years with smaller losses, and we come to 1920, which was a very prosperous year. In 1920 there were 10 national bank failures and 109 state bank failures, with an estimated liability of about $50,000,000. These figures are all in round numbers as far as dollars are concerned. In 1921 there were 47 national bank failures and 357 state bank failures with a loss of approximately $170,000,000; then in 1922 there were 35 national bank failures, and 242 state bank failures, with a loss of about $73,000,000, and in 1923 there were 77 national bank failures and 501 state bank failures, with a loss of about $200,000,000. To summarize this, since 1913—that is ten years ago—there have been 222 national bank failures and 1,664 state bank failures. I have not had the time to add up the total loss, but it runs up very high. Now my point is this, Mr. Pole, if you will permit me, in view of these increasing failures and the losses in the United States during recent years since the establishment of the Federal Reserve Bank, how can it be argued that the Federal Reserve Bank has in any very material sense contributed to the prevention of failures; I am not saying it is the cause, but how does it contribute materially to the prevention of failures?

The answer given by the witness was:

A. I do not think it can be said that it is a criterion of the merit of a system when you take that period immediately after the war.

Then the hon. member for Vancouver Centre asked another question:

However, the facts are correct?

Mr. Pole answered:

A. I will not dispute the facts.
Q. Really the point I want to make is that there is no system that is infallible and will prevent failures.—A. Absolutely none, as far as I know; it has never been devised.

The reason I read that quotation is by way of comparing the record of the system of branch banks in Canada with the unit system in the United States, and I say advisedly and with considerable pride that our banking system has certainly stood the test of time.

Mr. LADNER: Would my hon. friend's comparsion not be fairer and sounder if he gave the figures of the total number of unit banks in the United States so that we could get the proportions, also the number which failed prior to the establishment of the federal reserve system, so that we can note the improvement, if any?

Mr. MARLER: I cannot give my hon. friend the figures of the failures before the establishment of the Federal Reserve Bank. But as I stated in the earlier part of my remarks, there are 8,000 national banks in the United States and 23,000 state banks. But my hon. friend's question is beside the point, because the failures in the United States under the unit system have been much greater in number than the failures in this country.

Mr. IRVINE: The hon. member has stated that there are 5 banks in Great Britain and 23,000 in the United States. He compares the failures in the United States with those in Canada where we have 14 banks. Is that fair? If we had fourteen failures in Canada, for instance, within the next ten years, we would have no banks at all. Does he think that is a fair comparison?

Mr. MARLER: Yes, I think it is a very fair comparison indeed. As a matter of fact my hon. friend's question emphasizes the stability of our banking system, because it simply means that we have less failures. The failure of a unit bank in one part of the country may cause a great deal of suffering, whereas when one bank in Canada fails the loss is spread over the whole country.

Mr. IRVINE: That is an argument in favour of the unit system.

Mr. MARLER: No, it is not an argument in favour of the unit system.

Mr. IRVINE: My hon. friend just pointed out—

Mr. MARLER: The hon. gentleman is not bearing out his argument with his usual persuasion to-night. If he follows my argument closely I am sure he will agree with me toward the end; perhaps his new financial system will have a shock or something of that description.

As I stated at the commencement of my remarks, one of the questions involved in this matter is the issuance and security of notes. That I think I have covered as regards results by quoting the failures in Canada. The same thing applies as regards deposits. The next great question that comes up is the question of elasticity of credits. I think that, if there is any reason at all, is the main reason why the committee asks an extension of its powers for the purpose of studying the question

of a federal reserve bank or a central reserve bank, as the case may be. I claim that our system provides admirably for most elastic systems of credit.

Mr. IRVINE: Before my hon. friend leaves that point, might I ask him how many branches there were of the Home Bank? Would it not be fair to say that we had a failure in Canada for every branch of the Home Bank, on the same basis that my hon. friend is figuring it out in the United States?

Mr. MARLER: I do not think that is an entirely fair comparison.

Mr. GRAHAM: A number of the Home Bank branches on their own business would not have failed.

Mr. MARLER: Exactly. As regards the elasticity of credits, under our branch bank system the credit of the country is concentrated at certain points, but at the same time it is decentralized; that is to say, although a concentration may take place at points where the head offices of the banks are situated, all the money in any bank is capable of being used in any branch or in any part of the country relating to that particular bank. By these means all the smaller communities have precisely the same effective powers over the funds of the bank and the use of credit as have the larger communities.

Now I would like to compare with that the federal system in the United States, because after all that is a comparable system with any central reserve bank or any bank of that description which might be included in the powers asked for in this extension. In the United States the local banks have, of course, few or no branches. Money, before the federal reserve system came into vogue, was not centralized in any particular part of the country. When the cotton crop had to be moved there was a lack of money in the south; when the grain crop came to be moved there was a lack of money in the west; consequently rates in particular parts of the country went up and became prohibitive, and in some cases, in fact, money could not be procured at all. It was to remedy this condition that the federal reserve system was put into effect, so that there would be sufficient centralization of funds to enable the member banks of the federal reserve system to procure from the federal reserve bank the funds necessary for their purpose. But as I have explained in our system the question of credit is nation-wide. The credit at the head office of any bank is available for any branch of that bank in any part of the country. Credit is not, and cannot be, so centralized under our system as to deprive the West of money which may be in the East. The West has precisely the same right to that money, and precisely the same powers over it, as has the East, although the money may be temporarily in the East.

Mr. GARLAND (Bow River): Oh no.

Mr. MARLER: Why does my hon. friend say "Oh no?"

Mr. GARLAND (Bow River): Because the directorates of most of the banks are situated in the East, and they are more interested in the development of eastern industries than of the natural resources of western Canada.

Mr. MARLER: The hon. member is stretching the point. I know that that is the Albertan theory of banking, but he knows as well as I do that capital goes wherever it will pay; there is no question about that at all. The hon. member has no reason for saying that the capital of the banks is used for the development of eastern industries rather than for the development of the resources in the West. If he will look at the loans made in the West, he will find they are quite compatible with the deposits, and he knows that as well as I do.

Mr. GARLAND (Bow River): Not at all.

Mr. MARLER: If he will look at the statistics, he will find that is true.

Mr. GARLAND (Bow River): Take the Home Bank case, where in practically every instance the deposits far exceeded the loans.

Mr. MARLER: My hon. friend is speaking with regard to one bank only.

Mr. GARLAND (Bow River): Not at all. It is the general condition.

Mr. MARLER: Does my hon. friend mean that that condition prevails in all the banks, or in simply one bank?

Mr. GARLAND (Bow River): The Home Bank must be taken as typical. It is the only case where we have definite proofs. Last year we asked the managers of the banks to produce statistics in support of their contention that they were giving us fair service, but we have never been able to get it from them; they declined to give it.

Mr. MARLER: Does the hon. member mean to say that the Home Bank is to be taken as typical of our banking system?

Mr. GARLAND (Bow River): Not at all, but typical in the case you suggest, that branches in western Canada are extending loans in ratio to the deposits taken in. That is not the case.

Mr. MARLER: Has my hon. friend read the evidence taken before the Banking and Commerce committee this year of Mr. Edwards and of Sir William Stavert, who stated that every branch had the full facilities of the whole bank? If my hon. friend will look at the statistics, he will find that loans are made in all parts of the country, wherever loans are needed, provided the security is there. My hon. friend's statement that the loans are segregated in the East is totally without foundation, and I think he knows it.

Mr. GARLAND (Bow River): May I suggest that we have sadly needed loans for development work in western Canada, but there has been a preference shown for West Indian investments, Mexican power development, and New Orleans rails, with the money of the Canadian depositors.

Mr. MARLER: Is it not true that the West has had too much money in the past few years?

Mr. SPENCER: If the hon. member will look at the Home Bank figures he will find, as I have, that the loans in each of the western provinces of Canada made by the Home Bank were outweighed by the deposits taken in.

Mr. MARLER: I am not discussing the Home Bank at all. I do not deny what the hon. member has said regarding the Home Bank, but I am discussing the general banking system of the country which the hon. member from Alberta is trying to pull down, to put a new one in its place. My hon. friend will find my statements substantiated—

Mr. GARLAND (Bow River): I must ask my hon. friend to withdraw that last suggestion, that we are attempting to tear down the present system and substitute something in its place. Hon. members on this side with whom I have conversed have for their purpose the co-ordination of the facilities that now exist in one central banking bureau or commission. They are not attempting to interfere with the present banking facilities at all.

Mr. MARLER: Then my hon. friend is trying to merge fourteen banks in one central reserve bank and start a new bank entirely?

Mr. GARLAND (Bow River): Not at all. That is not true. May I suggest that the hon. member for West Calgary (Mr. Shaw) very clearly laid before the House just what he had in mind, and that is the co-ordination of the central gold reserve, the Department of Finance, the War Finance Act, the Treasury Board, and the Bankers' Association under one head. Those facilities all exist at the present time, and we are not proposing to do away with them but simply to co-ordinate them.

Mr. MARLER: I do not think my hon. friend followed me.

Mr. GARLAND (Bow River): I do not wish the hon. member to be off on the wrong foot.

Mr. MARLER: Very possibly I will get on the right foot when my hon. friend from Bow River replies. However, to resume on this question of a federal reserve system for Canada what would happen would be the grafting on to our system of one that is totally inadaptable for all practical purposes. My hon. friends opposite say we want to study this question and find out if a federal reserve system of banking is practical for this country; we should ascertain whether we can have a central reserve bank. Why, the evidence taken before the Banking and Commerce committee this year is sufficient and conclusive on that point; the evidence taken before the committee last year is conclusive on the question that a federal reserve system or a central reserve bank, for they amount to very much the same thing, is not wanted in this country. Let hon. gentlemen opposite read the evidence of Mr. Neill, given on page 278. I know they laugh at Mr. Neill's evidence, Mr. Neill being a successful man, and, of course, it is a crime to have built up a successful bank in this country and to have brought the country ahead; but there is other evidence as well. At page 278 Mr. Neill says:

> Q. Would you compare the terms of our Finance Act and its facilities, briefly, with the federal reserve discounting system?—A. My opinion is that as far as the needs of Canada and the Canadian banks, and the Canadian public are concerned, that the re-discounting facilities granted by the Finance Act are quite satisfactory—all we need.

But in addition to that the Banking and Commerce committee brought up from the United States—it was one of the importations they are so fond of getting from that country—two bankers who gave clear and conclusive evidence before the committee. Mr. Pole, Chief National Bank Examiner at Washington, gave his reasons as regards the question of a reserve bank in Canada. Let my

hon. friends look at page 124 of his evidence and they will find there the reasons which he gave for the establishment of the federal reserve system in the United States. He states, and he states in the clearest possible way, that the federal reserve system was established in the United States simply because there was difficulty in having sufficient money in various parts of the country. There is no difficulty under our banking system in having money in various parts of Canada when it is needed. Then if hon. members will look further into his evidence at page 127 they will see also that one of the peculiarities and one of the qualities of the Federal Reserve Bank is the question of re-discounting privileges which exist fully under our own Finance Act. He, as a matter of fact, compares our Finance Act very favourably with the federal reserve system in so far as re-discounting is concerned in the United States. Then let my hon. friends look further at page 139, where more of Mr. Pole's evidence appears, and they will find that he says this:

The system in vogue would seem to be entirely adequate inasmuch as the Finance Act offers every facility, practically, that the federal reserve bank offers at a much less expensive operation.

Then further on, as to whether a federal reserve system was adaptable to our system, if my hon. friends will look at page 142 they will see that Mr. Pole distinctly says that in his opinion the federal reserve system was not adapted to our system of unit banks.

Mr. MACLEAN (York): Does he think it is adapted to the United States?

Mr. MARLER: Yes, it is adapted to the United States; it is an entirely different system. My hon. friend from South York wants to import into Canada the banking system of the United States as well as the various experts that were brought here for the purpose of giving testimony.

Mr. MACLEAN (York): No, he does not.

Mr. MARLER: But all these questions were fully taken up by the committee; they were fully considered and they were fully decided. The best witnesses that hon. gentlemen desired to have brought before the committee one and all stated that the federal reserve system is not adapted to Canada. My hon. friend from Brant (Mr. Good) shakes his head. He is probably thinking of Mr. J. Skelton Williams, but I am coming to him in just a moment.

Mr. GOOD: No, Mr. Pole as I intend to show later.

[Mr. Marler.]

Mr. MARLER: Mr. Pole also? Well, what does Mr. Pole say? On page 144, speaking about the federal reserve system also, he says:

A. I hardly think that the federal reserve system could be substituted for the Finance Act.

Q. Why?—A. For the reason outlined in my remark that it is entirely adequate for a unit system of banking, but it is not adapted to the—

Q. Branch system?—A. Branch system.

Q. Why?—A. Because it would be too expensive and too cumbersome for the number of units which it would have to take care of. There being only fourteen banks, if the fourteen banks should undertake to support the federal reserve system it would be rather an expensive operation.

Q. Because of the expense? That would be largely your objection?—A. That would be one of the objections, when perhaps the same purpose could be achieved under the provisions of the Finance Act.

It seems to me that Mr. Pole's evidence on this subject is very clear and very distinct. Now, Mr. J. Skelton Williams, who was also one of the witnesses before the committee, more or less learned, I admit, to the federal reserve system, but if his evidence is studied it will be found that he knew very little about our banking system. If hon. members will look at page 170 of his evidence they will see that Mr. J. Skelton Williams had not examined the monthly reports under our system. If they will look further at page 179 they will see that the question was asked him:

Are you familiar with our Finance Act?

His reply was:

No, I am not.

How, therefore, could Mr. J. Skelton Williams—not being familiar with our banking system or with our Finance Act—say to us here in Canada that he thought the federal reserve system could in any way be used in this country? But in addition to that I would ask my hon. friend from Brant, and my hon. friend from Bow River (Mr. Garland) also, if they so desire, to look at page 181 of Mr. J. Skelton Williams' evidence in which he sums up the nine points as regards the uses and advances of a Federal Reserve Bank in the United States. Let my hon. friends look at those points and if they do so they will see that the great majority of them are all covered by our banking system. If the time of the House were not so short I would be very glad to go through each one of these points and demonstrate that our system amply and already covers each essential point that Mr. J. Skelton Williams laid stress on as being of great advantage under the federal reserve system.

Mr. GOOD: And all by way of co-ordination.

Mr. MARLER: My hon. friend has made a very cryptic remark. I think he gives me credit for far more intelligence than I actually have. If he will elucidate his question a little bit I will be very glad to reply to it.

Mr. GOOD: I shall do so later.

Mr. MARLER: Well, we will leave my hon. friend's remark in a cryptic state in the meantime.

Now, let me repeat that our Finance Act as it is now and our branch bank system as it is now fully cover all the necessities of elasticity of credit and banking in this country, and our Finance Act as it exists is quite sufficient to meet the requirements without any question of a federal reserve bank being taken into consideration at all. In addition to that hon. members will require to bear in mind the cost of the administration of any banking system based on such a system as the federal reserve system. They will also require to consider what profit is gained in a reserve system of that description. I know that some will reply to me that notwithstanding the fact that $138,000,000 was gained in profit by the Federal Reserve Banks the profit must have come from somewhere—the profit must have come from some interest charged or some discounting, or from the loans made, because unless the Federal Reserve Bank has a considerable amount out in loans the bank cannot function at all. Therefore the question of getting lower rates of interest, lower rates of credit, does not apply at all. Now, consider the situation under our Finance Act. The administration of our Finance Act practically costs the country nothing. The profit derived, it is true, is comparatively small; but comparing the cost of a federal reserve bank—with its various branches and its various officers—it is hugely greater than any cost under our Finance Act at all.

There is another point also, as regards the federal reserve bank, which people having an idea of that subject should take into consideration and it is this: That the Federal Reserve Bank cannot function at all, cannot make any profits—it will have to be run at a loss—unless there is a tremendous amount in loans outstanding. The chairman of the Banking and Commerce committee (Mr. Vien) cited this afternoon a quotation from the New York Times of May 29 stating that the Federal Reserve Bank will barely make both ends meet this year simply because the loans are not great enough to make it pay. Precisely the same thing would happen in this country. If the banks cannot lend all their money, the Federal Reserve Bank cannot lend all its money. The bank if it has any kind of assets which it desires to re-discount can always, under the Finance Act and it is a very inexpensive operation, re-discount those assets and obtain all the money which is required.

Before I conclude I wish to re-state the question which is before the House to-night. It is this: Does this House desire to study the feasibility or the advisability of establishing a federal reserve bank? My hon. friend from Vancouver South said this afternoon that as a matter of principle the committee had a right to come to this House and ask for leave to investigate this particular subject. I do not think that the committee has any such right; it is for the members of this House to decide just what questions any committee shall study. No committee can arrogate to itself any powers and come to the House and say it desires to study this or that question and ask the House to acquiesce in its request.

Mr. LADNER: The committee having come to the House with the request that it be empowered to study this particular question, it then devolves upon the House to decide whether or not the power shall be deputed to the committee to go into the matter. The House can say to the committee: "We will not allow you to go further than you have already gone; individually you may go into the library and study the question as you see fit but as a committee you shall have nothing more to do with it." The House may take that position, and that is the point of the whole debate. My hon. friend has entered into a lengthy discussion before all the evidence is in.

Mr. MARLER: Not at all. I understood the hon. gentleman this afternoon to say that on principle he thought the House should accede to the request of the committee, that it be allowed to study this question.

Mr. LADNER: Certainly; and I see no reason whatever why that privilege should not be granted the committee.

Mr. MARLER: But why should the committee be given the power to go into this question?

Mr. LADNER: Because it has asked for it.

Mr. MARLER: Well, committees have no right to ask for any such powers. Any com-

mittee might request that it be empowered to study any complicated and obscure question and take up the time of parliament debating it while parliament might not desire to have that question investigated.

Mr. LADNER: Does the hon. member suggest that a committee has no right to request of parliament the right to enlarge the scope of its investigation? I have never heard any such proposition before.

Mr. MARLER: The committee was not authorized to investigate this particular question.

Mr. MACLEAN (York): The committee studies all questions relating to banking and commerce, and surely this particular question would be relevant.

Mr. MARLER: They were asked to investigate an entirely different matter.

Mr. MACLEAN (York): They were told to investigate the subject of banking and commerce generally.

Mr. MARLER: Not at all; the committee were instructed to inquire into a particular question and the scope of their investigation was clearly defined. I do not think they have any warranty for coming to parliament and asking for further powers.

Mr. LADNER: Perhaps the hon. member does not know that the order of reference to the committee was interpreted in two ways, one interpretation being that the authority already existed in the order, and the other, that it did not empower the investigation of the matter in question. The reference was made in relation to the safety of depositors, and I think my hon. friend knows perfectly well that this question relates to that subject. The chairman of the committee having ruled that the committee had no power to investigate this particular question, the committee then voted that an appeal should be made to parliament to secure the necessary authority.

Mr. MARLER: I will not debate that question; it was discussed in the committee, and the ruling was given. My hon. friend says that this question relates to the safety of depositors; I am not of that opinion, for I do not think that the question of a federal reserve bank such as exists in the United States will add one iota to the safety of the banking public.

Mr. LADNER: Does the hon. member think that any member of the committee is advocating the adoption in this country of the United States federal banking system? Does he not know that what we are advocating is the adoption of certain principles, whether they be in application in the United States or in Timbuctoo, which will be helpful in our own system? That is the whole point.

Mr. MARLER: The request of the committee is perfectly clear; it relates to a central reserve bank, and that is the question before the House. Neither the hon. member for Vancouver South nor any other hon. member can make the language any plainer, however much they may talk around the subject; it is clear and distinct enough that the committee asks to be allowed to investigate the question of a central reserve bank. The hon. gentleman has been asking half a dozen questions; he will have an opportunity of dealing with the subject when I am through. In the meantime I want to be allowed to conclude my remarks. No doubt the financial gentlemen from Alberta will take up the question in a moment.

Mr. IRVINE: Is the United States the only country in which there is a central bank?

Mr. MARLER: No.

Mr. IRVINE: Then why does the hon. gentleman conclude that the request calls for a central bank like that of the United States?

Mr. MARLER: I do not say that it calls for the United States system; I am only taking that system for purposes of comparison. If the hon. gentleman had been listening to my remarks he would have heard me say so a few minutes ago. Now, that is the question before the House to-night; parliament is asked to allow the committee to study the feasibility or the advisability of establishing a federal reserve or central bank, call it what you will, and I do not think that the power to go into this question should be delegated to the committee, if in the opinion of hon. members the question of a central bank is unnecessary to all our banking system as I think it is.

Mr. W. C. GOOD (Brant): I am aware that a great many hon. members in this House are rather anxious now to get through with the business of parliament. I myself am suffering just as much as anyone, if not more than a good many, in staying in this House during July; but I want to state most emphatically that on the present occasion the responsibility for whatever time may be taken up and, in the opinion of some hon. members,

wasted, in this discussion, rests on the government, and not upon those in this part of the House who on the committee have made the request for the enlargement of its powers.

I should like in this connection to review the situation as it has developed since May 21. On that date, if my information is correct, the Banking and Commerce committee, by a vote of 21 to 7, requested this House to empower them to consider a matter which they thought pertinent to the inquiry already before them. Personally I did not think that we were going outside the order of reference already submitted to the committee in studying the matter which is under consideration to-night. Nor do I think so now; and in the course of my remarks this evening I shall try to show that this question of the establishment of some type of central bank in Canada is very closely connected with the question of safeguarding depositors, which is the subject already referred to the Banking and Commerce committe by this House. But the contention of the chairman of the committee was that the order of reference to the committee did not include the study and consideration of some type of central or reserve bank, and after some debate and after having been challenged by some members of the committee, his ruling was sustained by a very narrow vote of, I think, 14 to 12. That is the only reason why the committee by an almost unanimous vote of those present requested this House to enlarge the reference so that they might consider this matter, which in their opinion was pertinent and of great importance. That occurred on May 21, and from that time until the present moment some of us have been insistent that the question should be brought into the House and settled by the House so that we could then get to work, with what time we had, to study it and make some recommendation touching it. I do not wish to review all the details, but we have not succeeded in getting the matter into the House until the present time; and it is obvious, as everyone realizes, that the committee will not henceforth be able to give any great consideration to the subject. I do not wish to make any unfair insinuations, but it would seem as though the delay had placed the government in the position of being able to say that, now the time having gone, there is no use in going into the matter. In fact, the Acting Minister of Finance (Mr. Robb) said this afternoon that it was already too late to undertake the study of a question of this sort. So it is in a sense. Everybody admits that, but it is not too late to assert the relevancy of this question and to insist that this House should give to the committee the right and power which the committee asks from them. That is the history of the situation, and it is just as well that those members of the House who do not belong to the Banking and Commerce committee should know just what happened, because, in my judgment, it is very significant.

9 p.m.

Further, I made a private effort, I suppose about three weeks ago, to secure the acquiescence of the government in this particular appeal of the committee, and I did not think at that time that the government would take a position which seemed to me then and which seems to me now most unreasonable and unfair. I was amazed at that time when I learned, incidentally and indirectly, but from very good authority, that the government was likely to oppose this motion for the enlargement of the powers of the committee. I concluded that if that was the situation, if the government by what majority it might command in the House, was going to suppress the inquiry, nothing was left for me but to place myself on record in this House. I did not want to take up the time of this House. I would have preferred to present in the committee whatever information I had collected in regard to this matter, but the action of the government has forced me, very much against my will and certainly against the inclinations and desires of members at this time, to bring the matter to the attention of the House this evening.

Mr. GRAHAM: How did the action of the government do that?

Mr. GOOD: The situation is plain. The government have clearly indicated that they are opposed to granting the committee any power to study this matter. That attitude was conveyed to me three weeks ago unofficially, and it has been definitely conveyed to the House to-day by the Acting Minister of Finance (Mr. Robb). Therefore, since we cannot possibly get an opportunity on the committee of looking into the matter or of presenting any of our ideas, what option is left for me and other members but to stand up in this House to-night and proclaim our views.

Mr. CARROLL: Does the hon. member take unofficial reports as being governmental information or announcements?

Mr. GOOD: I do not know. I hope yet that I was wrong. I should like to see the government even at this date concede this point. If they could grant the appeal of the committee and acquiesce in their request, a good deal, at all events, of dissatisfaction would be allayed. As I said, what I

understood to be the attitude of the government, conveyed to me, if you like, unofficially some time ago, and as I take it, fairly clearly stated in the House to-day, has placed me in the position where I have no choice other than to present the matter to-night.

I had intended to deal with one particular phase of this question of a central bank in order to impress upon the House if possible the great importance of looking into the matter. The argument which I shall present to the House is condensed in the following statement which I should like to submit:

1. The safety of deposits and depositors depends in part on the stability of business, in the prevention of recurrent waves of feverish prosperity, with intervening periods of paralyzing depression, because such flow and ebb encourages banks first to over-loan and then, when the tide turns, subjects them to disastrous pressure.

2. The prevention of this periodic ebbing and flowing of the industrial tide depends, largely, upon the stabilizing of the price level, —the stabilizing of the purchasing power of money.

3. The most potent and immediately feasible method of stabilization in Canada, and also in many other countries, is the regulation of the re-discount rate, and for this purpose a central bank is the proper instrument for putting such regulation into effect.

4. Therefore, the safety of depositors is largely dependent upon the establishment of a central bank.

If that argument is sound—and I think I could substantiate every part of it by such a mass of evidence that this House would scarcely turn a deaf ear—then the ruling of the chairman some time ago was entirely erroneous, I submitted then that it was erroneous and I contend to-night that the ruling of this question out of order—outside of the reference then made to the House—was an entire mistake and that we should have been permitted by the chairman to study this matter, having in mind only the question of the safety of depositors that had already been referred to the committee.

I have some consideration for hon. members and I am not going to present the mass of detail that I had hoped to present in this respect, but I shall submit my argument in brief. Perhaps, we ought to start out somewhat from this point of view. The banking situation, as it has developed in Canada during the last year or so, certainly has given rise to a great deal of dissatisfaction, unrest and uneasiness. Confidence is pretty well shattered. Last year the bankers who were before the committee, and the government also, fought inspection. They fought and defeated practically every other amendment which some of us thought necessary for the restoration of confidence. Our arguments had no effect last year and I think I know why. I have some information which I think the House and the country ought to have as to the possible reason why our efforts last year to secure anything of a fundamentally reconstructive character failed. If members want to know something about the causes, about the influences at work, I wish they would look into the minutes of the meeting of the Bankers' Association held at Montreal on July 9, of last summer.

Mr. MACLEAN (York): What were they?

Mr. GOOD: They will find if they look at those minutes that Sir Thomas White, for services—I do not know what services; he was not around or at least I did not see him—rendered during the Bank Act revision of last year was given $20,000 by the Bankers' Association. Mr. Geoffrion who is retained this year, on the testimony of the secretary of the Bankers' Association was paid $20,000 last year and he never opened his mouth in the committee; but he did his work quite effectively, as some of us knew and saw. Mr. Symington, who has been prior to the present time generally recognized as one of the best advocates of the western farmers' interests, was retained by the Bankers' Association for $20,000. He sat in the committee also and did not open his mouth as far as I saw, unless perhaps in conversation with private members.

Mr. CARROLL: Then what complaint have you got to make?

Mr. GOOD: I am simply submitting these facts to the House and to the country, for I think they are significant. Other legal counsel who appeared at Ottawa last year received nearly $10,000. The cost of printing and distributing the pamphlet, "Banks and Banking", which we were all favoured with last year, as hon. members will remember, was nearly $8,000—I am giving the round figures—and the hon. gentleman in the other House who was responsible for writing this pamphlet was granted an honorarium of $10,000. Some of us last year expressed our opinion of the quality of this pamphlet "Banks and Banking". A companion pamphlet was published this year and circulated among members, as we all know. However, no matter what our opinion may be of the quality of the argument in "Banks and Banking," it is significant that an honorarium of $10,000—which I

presume must be taken out of the banks' customers, possibly the poor western farmers —was granted to the writer of a little pamphlet which I think any schoolboy could have produced. There were some other expenses, not very large, the total amounting to more than $96,000.

Now, Mr. Speaker, here is the situation. Last year, as we all know, influences were brought to bear on this House and on the government which prevented the adoption of the amendment for bank inspection and of a dozen other amendments that some of us were pressing for. Our arguments were not listened to—well, they were listened to, but I remember time and again in the committee there would not be a word of argument in reply, but some hon. members would call. "Question, question", and we would be voted down. After being assured last year, as was stated in the House this afternoon, by those big bankers that everything was all right, that the depositors were perfectly safe and the banks were all in splendid condition;— shortly after the Bank Act went through this House the Union Bank wrote off its rest account four and a quarter million dollars, the Bank of Hamilton amalgamated with the Bank of Commerce, and later on the Home Bank failed. The public know these things, and we here know what went on in the Banking committee last year. Now we discover that nearly $100,000 was spent by the Bankers' Association in defeating our efforts to amend the Bank Act. In view of all these facts what are we to conclude?

And now the bankers have conceded the necessity of inspection. Why? Because the logic of events—not our arguments—has proven that inspection was necessary and desirable years ago. I hope it has not come too late. So the government comes down, and says, "We will concede inspection." In fact the Acting Minister of Finance has introduced an amendment to the Bank Act for the purpose. It is a good amendment and I hope it will be in time to meet the situation. But as far as we can gather, the government are going to oppose everything else, and we have a dozen amendments which are perhaps just as vital as the amendment which we tried to put through last year to bring about bank inspection. I hope I am wrong, but it seems we have an announcement from the Acting Minister of Finance this afternoon that the government are not going to allow us to even consider the question of a central or federal reserve bank; they want to absolutely suppress inquiry so far as it is concerned. We are told that we can go ahead individually and study this matter. Well, some of us have been doing so for some time, but we cannot get anywhere unless we bring the inquiry into the committee. I think it is an outrageous situation, and I could not believe my ears three weeks ago when I heard that we would not be allowed to consider this matter in committee. Here we are at the last days of the session and the government come along and say, "Oh, well, now it is too late anyway." I do not know under what pressure. The secretary of the Banker's Association says they have four counsel retained, and has named them.

Now I want to present briefly to the House a few facts on the subject of a federal or central reserve bank. Last year I received a memorandum, which I have under my hand, from a gentleman who is now in the United States. He is connected with one of the large investment banking houses, and is a lecturer at one of the universities in the States. Before leaving Canada he was a professor of banking in one of our universities. In this very interesting memorandum there is a very definite and, perhaps, a rather novel argument to show that the time is ripe for the establishment of a federal reserve or central bank in Canada—not a slavish copy of the federal reserve system in the United States. The hon. member for St. Lawrence-St. George laboured the case this evening to show that we should not adopt the federal reserve system of the United States. Of course we should not. We never asked for that at all. As has been well said by the member for Vancouver South (Mr. Ladner), what we do think is necessary is to study and to secure in the very near future some type of central bank adapted to Canadian conditions. The writer of this pamphlet knows the United States situation, he has spent years in studying the question, and he states very definitely that the time is ripe for the establishment of such an institution in Canada. Are you going to turn that down? We might have secured the attendance of this gentleman for examination in regard to this matter if we had time. We cannot do so now, but we might have the advantage of his attendance next year. His argument, in brief, is simply along the lines of the argument that has been presented by the hon. member for West Calgary (Mr. Shaw): we have at the present time, as the hon. member for St. Lawrence-St. George admitted, all the necessary elements for a federal reserve or central bank; we have our rediscounting facilities under the Finance Act, we have our central gold reserve, we have the Bankers' Association, we have practically a centralization of financial power in this country

in this private organization, and we have, or shall have very shortly, an inspection system, and also we have our government savings bank.

Mr. MACLEAN (York): And national currency.

Mr. GOOD: We have not yet, but we may have.

Mr. MACLEAN (York): It is coming.

Mr. GOOD: We have these various elements or functions or aspects of a federal reserve system either in being or in prospect —we have everything except government notes. Now the proposition is that we should link up these elements in a co-ordinated scheme under the supervision of a board of experts and they do not need to be very many. Here, is something that can be established in Canada in the near future at practically no expense, because it means substantially nothing additional to what is now in existence or in immediate prospect. It simply means that these activities are to be co-ordinated and managed, if you like, by a board of experts, of bankers. We know the procedure in the re-discounting process, the Deputy Minister of Finance advises the Treasury Board. But the Treasury Board, composed of cabinet ministers, are too busy probably to look into the matter, they do not know anything about the rate of re-discount and the various considerations in connection with it, and so naturally they take the advice of the Deputy Minister of Finance. And he does not know. He admitted the other day in the committee that he had never even thought of altering the rate of interest; that the matter had never been discussed. What a deplorable admission on the part of the only man who advises the government in this matter! Why, it is recognized by all the authorities that one of the most feasible methods of checking inflation and deflation, of stabilizing price-levels and the purchasing power of money, is the adjustment of the rediscount rate. It is recognized by the Bank of England authorities, by the federal reserve authorities of the United States, indeed, by economists all over the world that this is the method which is best adapted under existing conditions—and I think it is particularly true in Canada—for the stabilizing of the price level. Yet the only adviser of the Treasury Board says the matter has never even been thought of, that he has never looked into it. And yet the hon. member for St. Lawrence-St. George and the Acting Minister of Finance say everything is going beautifully, and the secretary of the Bankers' Association says everything is going beautifully. Why, it is hard not to get hot over a situation like that. I shall have to get my coat off pretty soon. Now let me quote just a sentence or two from this memorandum:

> Only through a central bank and a central reserve board would it be possible to exert that control over the expansion of credit and over price levels, which we discussed in a previous section of this memorandum and, if the day comes when we desire to follow out the suggestions made by the Genoa Conference or by Professor Irving Fisher, or any other suggestions designed to secure stabilization in business and commodity prices, we will be handicapped unless we have some sort of organization.

And then he goes on to speak about the organization of a board for this particular purpose.

Mr. SPENCER: What is my hon. friend quoting from?

Mr. GOOD: I have already explained that it is a memorandum placed in my hands by a gentleman who is now living in the United States and who used to be professor of banking in one of the Canadian universities.

There is another point that I would like to emphasize. This country, the United States, England—in fact, the whole world—have suffered tremendously, suffered in superlative degree in recent years from fluctuations in the purchasing power of money. Nothing stands out more prominently as a cause of disaster and misfortune. Now while we had submitted to the committee last year by Professor Irving Fisher one method of stabilization, it was applicable almost entirely to countries such as the United States where there is an abundant supply of gold. We have not an abundant supply of gold, and many other countries are in the same position; the gold standard has practically disappeared. The hon. member for Bonaventure (Mr. Marcil) in the House yesterday lamented the fact that we have not the gold standard, as did the Deputy Minister of Finance the other day in the committee, and suggested that we ought to get back to that gold standard. Mr. J. M. Keynes, in his most recent work on the subject, "Monetary Reform," published early this year, which I have read with a great deal of interest and attention, says:

> In truth, the gold standard is already a barbarous relic. All of us, from the Governor of the Bank of England downwards, are now primarily interested in preserving the stability of business, prices, and employment, and are not likely, when the choice is forced on us, deliberately to sacrifice these to the outworn dogma, which had its value once, of £3:17:10½ per ounce. Advocates of the ancient standard do not observe how remote it now is from the spirit and the requirements of the age. A regulated non-metallic standard has slipped in unnoticed.

Let me emphasize that.

A regulated non-metallic standard has slipped in unnoticed. It exists. Whilst the economist dozed, the academic dream of a hundred years, doffing its cap and gown, clad in paper rags, has crept into the real world by means of the bad fairies—always so much more potent than the good—the wicked ministers of finance.

Mr. McMASTER: You must not abuse a man in his absence.

Mr. GOOD: Oh, I certainly am not applying this expression "wicked ministers of finance" to our estimable Acting Minister of Finance; far be it from me to make any such suggestion. On page 214 of the same volume Mr. Keynes speaks about the policy of the Federal Reserve Board of the United States in regard to the maintenance of price levels. I am not going to quote it, Mr. Speaker, but the fact is that gold has been demonetized to a very large extent, and if my understanding of the situation is at all correct—and I quote Mr. Keynes as one of the real authorities on this subject; many others could be cited—we are not likely to go back to the gold standard. In fact we have arrived at a point where we are attempting to secure a managed currency. Let me emphasize that term—a "managed currency." Hitherto we have let this thing go wild. If we followed the gold standard we were at the mercy of the supply of gold, whether it was much or little, or we were at the mercy of the printing press or of incompetent bankers who in a period of inflation lost their heads and expanded credit too much and then when the turn came stifled business by contracting credit too rapidly. This has been the situation in the past, and some of the biggest bankers in the world are looking into this matter and are taking remedial steps. If the economic and industrial world is to survive we have to have a managed currency. I submit in all earnestness that there is no means of securing a managed currency in the immediate future that is more feasible and more practicable than the establishment of some type of properly administered central or federal reserve bank.

Let me repeat the argument so far: We have suffered tremendously from these recurrent waves of feverish prosperity and intervening periods of paralyzing depression. This is something that has faced all of us, and the cause has now been discovered in an unregulated, unmanaged, happy-go-lucky currency. It is possible by a managed currency to prevent these alternate periods of booms and depressions—what is known now among economists as the business cycle. Not long ago Professor Irving Fisher sent me a little pamphlet, "The Business Cycle Largely a 'Dance of the Dollar.'" In this pamphlet he has worked out mathematically and by very careful means the relationship between what is known as the business barometer and the rapidity of the fluctuations in the price level. He has shown that the actual facts prove that the business cycle largely follows and depends upon the rapidity of fluctuations in the price level. It is a very interesting document that was published in the proceedings of the American Statistical Association in December of last year.

I have here another pamphlet by Professor Irving Fisher dealing with the same matter, entitled "Stabilizing the Dollar." This was published in Harper's Magazine in March of this year, and I think as the hon. member for St. Lawrence-St. George has taken up considerable time, I shall quote briefly from this very interesting pamphlet for the benefit of hon. members. He says on page 1:

From the beginning of things monetary mankind has been harassed by mysterious, periodic price-floods —both ebbing and flowing—comparable to the plagues of Egypt. We have always blamed the wrong man —the "gold-bug" if prices went down; the "profiteer" if prices went up. Yet both of these alleged scoundrels have been merely carried by the mysterious tide they were accused of consciously making. Within the past three years this tide has surged up and down in such quick and bruising succession that the real truth has begun to get itself knocked into a few of us. For who can now go on believing that mere little cliques of human beings whose interests are opposed could take turns at controlling the tides in opposite ways three times within a year! When, therefore, most economists, some business men, a few bankers, and a legislator or two begin to talk "unstable dollar", the rest of us may at least feel justified in taking notice. What has so long prevented the ordinary citizen from detecting the motions of the dollar is the same thing which prevents the child on a train from detecting the train's motion. To the child the fences seem to go scooting backward when it is the train carrying him forward. Even to the grown man the sun seems to move from east to west when it is the earth carrying him from west to east. So we, who ride the tide of dollars, think the price-shore is receding when it is the money-tide carrying us out to sea.

He continues:

Naturally, then, we trust to the wrong expedient to bring prices down. We trust to increased production. But production is already adequate. It is a fact, however, that increased production would lower prices, and therein, if we but look, we shall find the real secret of high prices. Prices are a mutual thing. If money buys goods, goods buy money. If, therefore, overproduced goods mean cheap goods, why does not overproduced money mean cheap money? It is in fact cheap money and not dear goods from which we are suffering. When the abundance of money is sudden, as in war, we sometimes come to acknowledge it and call it by the name of "inflation". But war-inflation is sudden inflation. What we fail to notice is the stealthy, slow inflation that has been the cause of the mysterious

slow rising tide of prices through the ages (for prices have mostly risen), and the occasional slow deflations that have been the cause of the occasional historic ebb-tides of prices. Sudden deflation has also been tried, in 1921, as a counter-active against high prices, and it proved so successful that nobody liked it.

I shall not read any further from this pamplet, but I certainly think it is entirely pertinent.

Now I should like to call attention, just in passing, to some data that were placed on the Congressional Record by a gentleman we had before the committee this year, the Hon. John Skelton Williams, ex-Comptroller of Currency in the United States. Here it is,—a document entitled "The Tragedy of Artificial Deflation", showing how a contraction of credit in the United States from 1920 on led to a tremendous fall in prices, and, of course, when you get a fall like that you get it in some commodities more than in others; and showing also very definitely the connection between this tremendous slump or depression, with all the misery it caused, and the policy of the Federal Reserve Board in the United States at that time. I do not know whether I should say the policy of the Federal Reserve Board, but the policy of the financiers at that particular time.

Sir HENRY DRAYTON: You are quite right; it was the policy of the Federal Reserve Board.

Mr. GOOD: I think the ex-Minister of Finance is right. At all events that is Mr. Williams' contention. I do not wish to weary the House with quoting from this; I shall simply point to some figures that are significant. For instance, here is a summary of the total loans and discounts and bought paper held by twelve federal reserve banks. On May 28, 1920, it amounted to $2,938,000,000, or nearly three billion dollars; on August 31, 1921, $1,500,000,000; on January 25, 1922, $932,000,000, showing a decrease of two billion dollars in the loans of the Federal Reserve Banks in the United States in that very short time.

Mr. McMASTER: Within two years?

Mr. GOOD: From May 28, 1920, to January 25, 1922, hardly two years. The actual contraction of credits extended by the federal reserve system from May 28, 1920, to August 31, 1921, amounted to $1,410,000,000. Over the period of nearly two years that I mentioned it is slightly over $2,000,000,000, as I said before.

Mr. Skelton Williams has quoted in this document the views of a number of leading economists and bankers in regard to this particular matter which I shall not burden the House with at the moment. But I want to emphasize this; that owing to an unmanaged or a badly managed currency, in the United States alone we had a tremendous inflation from 1917 to 1920, and a tremendous deflation following it. Now this is the situation that faces us. It may be said that the Federal Reserve Bank in the United States did not help. Well, maybe it did not, but there is this to be said, that the condition of affairs might have been infinitely worse if they had been without the Federal Reserve Bank. I passed through a good deal of that territory last summer and made a personal investigation, and I had the testimony of United States bankers everywhere to the inestimable benefit the federal reserve system had been to them in the time of stress during the war. But even supposing the results have been unfortunate, that is not due to the system; it is due to the bad management of the system. The point I am making is this, that we have arrived at a stage in the history of the world when we have got to face the problem of a managed currency, not only in this country but in all countries, and that is one of the most important economic, financial and political problems that we have to face at the present time.

Just in this connection I would like to quote in answer to a question that was asked me yesterday by one of the members of the House, one sentence from a speech delivered by the Hon. Reginald McKenna last January in England:

When the national output is below the productive capacity the policy should be to let money out. When production is at a maximum the outflow of money should be checked and if inflationary symptoms have appeared money should be withdrawn.

I was asked in the course of the debate yesterday by one hon. member, under what conditions, if any, it might be good policy to increase the supply of money in the country. Now Mr. McKenna has set forth very distinctly the considerations that ought to weigh in a managed currency; that is, if we have a decreasing price-level, accompanied as it always is by business depression and unemployment, it should be the policy of statesmen to deliberately increase the supply of money in order to take up the slack, as it were, to get rid of unemployment, and to give encouragement to business. If, on the other hand, any inflationary symptoms appear, which will be indicated by an increasing price level, the proper policy would be to decrease the supply of money, and in that way prevent the ups and downs of business. As I said

before, the best economists and bankers are coming to the conclusion that this is one of the first-rate problems that faces us in the immediate future. I have referred to Mr. J. M. Keynes, to Professor Irving Fisher, to the Right Hon. Reginald McKenna, and to Mr. J. Skelton Williams of the United States. I might refer to a lot of other authorities that have looked into this particular matter.

Mr. MACLEAN (York): Are any of them on the pay roll of the Canadian Bankers' Association?

Mr. GOOD: I rather think not, certainly not on the pay roll of the Canadian Bankers' Association.

Now, I hold in my hand a very interesting document, a report of the hearings before the committee on Banking and Currency of the House of Representatives on what is known as the Goldsborough bill. This is a bill that was submitted to Congress by Mr. Goldsborough in December, 1922, a year and a half ago. The bill had for its object the stabilizing of the purchasing power of money and the consequent prevention of these disastrous fluctuations that we are so familiar with. This bill was submitted to the committee referred to. I think it is perhaps significant and interesting that if a bill of this character had been introduced into this House some hon. members would be inclined to scoff at it and say "This is mere academic rubbish." But when it was brought before the United States Congress it was submitted to the Banking and Currency committee. That committee made a very exhaustive investigation into the subject and whom did they consult? Perhaps my hon. friend from St. Lawrence-St. George would also despise the witnesses called before that committee and say they were people who had no practical knowledge. Well, he has a right to his opinion just as I have a right to mine. The witnesses who were called before the committee at Washington were: Dr. Irving Fisher, Professor of Political Economy, Yale University; Professor James H. Rogers, Acting Professor of Economics and Finance, Cornell University; Dr. Willford I. King, Economist, National Bureau of Economic Research, New York city; Mr. Robert D. Kent, President Merchants Bank of Passaic, Passaic, N.J.; Mr. Philip P. Wells, Middletown, Conn.; Mrs. Frederick Leslie Ransome, Legislative Chairman American Association of University Women, Washington, D.C.; Dr. Frank A. Wolff, Physical Bureau of Standards, Washington, D.C.; Dr. George H. Shibley, Director of Research Institute, Washington, D.C.; and Mr. William C. Lee, Member National Monetary Association, Washington, D.C.

There is a lot of information in this document that hon. members ought to study. But our policy has been to go drifting along in a sort of Rip Van Winkle style, not realizing that the world has got ahead of us, talking about returning to the gold standard and a whole lot of things that are in the past. A lot of water has flowed under the bridge in the last seven or eight years in regard to financial and economic matters generally, and if we are going to adapt ourselves to existing conditions we must realize what the situation is at the present time and not remain cognizant only of conditions as they were ten, twenty or fifty years ago. I know that is always the tendency for every one; we are all apt to fall into that attitude of mind, of thinking that the world is what it was twenty years ago, but as Mr. Keynes has well said, the situation has absolutely changed with respect to many of these currency questions within the last four or five years. Look at the flood of gold from the rest of the world to the United States! Why, they have buried down at Washington I do not know how many hundreds of millions of dollars of gold; they were afraid of another disastrous inflation so they had to get the gold out of the way. In Europe they have very little gold. The situation is new There are therefore a number of new problems to be solved. We must face the situation that exists at the present time, and stop thinking we are still living under the conditions of ten years ago when the situation was very different from what it is at the present time, although indeed the same influences were at work then that are at work now. Some of our people in Canada are waking up to the situation. I noticed during the winter a very interesting editorial in the Winnipeg Free Press on "Hard times and the currency problem." Hard times! Have we not had enough of hard times in Canada during the last two or three years?

Sir HENRY DRAYTON: Hear, hear.

Mr. GOOD: What relation has it to currency problems? Has it any relation? I venture to say that if I put the question to the majority of members on the spur of the moment they would say no. The only way you can get rid of hard times and the economic conditions of the last two or three years, they would say, is to get your nose on the grindstone a little bit more, work a little

harder, economize and save money. When we asked that very eminent banker the late Sir Edmund Walker, in the Banking and Commerce committee last year what he would propose to remedy the situation, the poor man was pathetically—

Mr. MACLEAN (York): Flabbergasted.

Mr. GOOD: No, I would not use such a term as that, but he saw no remedy but to practise the old human virtues of hard work, thrift, economy and so on. That was all the enlightenment he gave us, and he was, I think, the most farseeing of all the bankers we had before us last year. Now, is there any connection between hard times and the currency problem? I contend there is. I do not want to go into all the details. I have a mass of information bearing on the subject and should like to take hon. members through it but hours would be consumed in doing so. This information would show that there is a very direct connection between hard times, that are brought about very largely by inflation and deflation, and the currency problem. Some of us are beginning to see the connection and are commencing to realize what we ought to do. Now, no means has been evolved that is more feasible and practicable and useful in the solving of that problem than the regulation of the interest rate and that can only be done through some type of properly administered central bank. There are many other things that a central bank will do, but this is one of the problems that it certainly can solve. It is one of the most important things a central bank can do.

And yet in spite of that, in spite of the information which has been submitted to the House, merely as yet in skeleton form, what does the government do? It refuses the request of the committee, passed by a vote of 21 to 7, to study this matter and to ascertain what more there is in it. And so we will go drifting on, under pressure I am afraid from the powers that be, into inevitable disaster. I said a few minutes ago that it was not our arguments of last year that brought the Banker's Association to concede government inspection No, it was disaster. But they are not going to concede anything else, they are not going to concede that any change of a radical nature in our banking system is necessary—nothing at all. They say "We have put this patch on and that will stop the leak. No further concessions will be made." Let me make a prediction: If nothing more is done there are going to be worse disasters very shortly. Then when we come back next year the Bankers' Association—after spending perhaps another $100,000 to defeat us—are going to be forced to concede something else. They will be forced to make another concession. The Bankers' Association will not come out of their trenches until they are driven out. Argument will not do it. It is a sad thing in human history that argument will not force people out of an untenable and indefensible position; they must be driven out by the logic of events.

I fear we shall have more disaster in the future. It may be said that I am talking wildly but let me say this: A very eminent banker now in the United States, a man who has had decades of experience in banking in Canada, told me not long ago that he had been making a year and a half's study of the Canadian situation and he predicted disaster in the near future, and he added that inspection had come too late to help. I do not know whether he is right or not, but I hope not. He is not, however, a man who speaks foolishly, and he says it is too late. And here is the government, apparently under pressure, refusing to consider a matter which is perhaps of much more fundamental importance and which will go considerably further, not immediately but ultimately, in the reconstruction of our financial system. The government refuses even the right to inquire into the matter, and I say that it is simply outrageous. It is altogether wrong, and I do hope that the government will give way. I trust I am not right in my supposition that when this motion is submitted to the House to-night the government will vote it down. But if it is voted down I can see some of the consequences that will ensue, and I predict something which the government will not like. The result may not be immediate, but the logic of events is more powerful than anything I may say to-night. We have urgent need to go further than we have gone in this little patchwork; what we have done is all right so far as it goes but it does not go very far. And if we shut our eyes to the inevitable tendencies at work now and refuse to provide for the future that which is alone capable in Canada of contributing to the stabilization of price levels, if we refuse to consider the co-ordination of the Finance Act administration, the gold reserve, the inspection systems, and all these things, I venture to predict that in a very short time we shall be sorry. I urge once more upon the government, even although they may consider it is

not self-respecting, to withdraw their opposition to this motion and allow the committee that liberty to which I submit they are entitled.

Mr. E. J. GARLAND (Bow River): Hon. members opposite may deal with the subject lightly in their anxiety to get a vote upon it, but I wish earnestly with all the knowledge I possess to support the arguments advanced by the hon. member for Brant (Mr. Good). I desire to emphasize his last warning: The day is past in this country, or in any other country for that matter, when the representatives of the people can sit laughing and calling "Question" without attempting to answer the arguments submitted in behalf of a change which is intended to improve the banking system of their own country. Let me now attempt to dovetail the few remarks I have to offer into the speeches that have already been made. I hope that hon. members who are in earnest in the matter and who are carefully studying the subject will observe that we in this corner are endeavouring as far as possible to avoid any overlapping but rather to form link by link an unbreakable chain of logical argument in support of the cause for which we stand. The hon. member for Macleod (Mr. Coote) referred to the necessity of establishing some form of central bank in order that long-term and short-term rural credit facilities might be instituted in this country. I am going to assume that the government intends establishing a rural credit system in Canada; logic compels me to make that assumption. I desire to quote from the report of Dr. Tory's commission at page 43:

> A distinguished authority on agriculture, the Assistant Secretary of Agriculture in 1915 stated the matter to a body of bankers in the following terms: "I believe I am not overstating the matter when I say that a satisfactory system of rural credit is as necessary to the development of agriculture in the country as is a widespread application of scientific methods of agriculture. As a matter of fact, it is impossible for the farmers to make use of the latest scientific discoveries without better credit facilities". It is hardly necessary to state that the two go hand in hand.

I should like to bring to the attention of the House another statement at page 10 of the report:

> One great reason why all countries have found it necessary to solve in some measure this problem is that agriculture is everywhere regarded as the fundamental industry, which if not prosperous reflects its lack of prosperity on every other national activity. This is especially true of all those countries which seek to become even approximately self-supporting.

I feel justified therefore in assuming that this government, in spite of its evident inertia, must sooner or later establish a system of long and short term rural credits in this country. It amazes me, as it does the hon. member for Brant, that without even waiting to hear the arguments that were to be submitted in the House on this question of establishing a central bank, the Acting Minister of Finance (Mr. Robb) should in his place to-day at the very commencement definitely state as the policy of the government that this proposal would not be accepted, the proposal to widen the scope of the banking committee for the purpose of considering and reporting upon this particular question.

Mr. ROBB: I did not say that was the policy of the government; I said I could not support the resolution.

Mr. GARLAND (Bow River): Well, we take it always that on a question of this kind when the minister chiefly concerned makes a definite statement such as this he is declaring the policy of the government. I am amazed too to find that the general attitude of members of the government towards the question of rural credits is, "nothing doing this year." In my opinion emergency legislation is essential at this session, but that is not the issue at the moment. I simply wish to press this point upon the government, that if they are ever to establish a rural credit system that will be really effective there must be some central banking agency, affording central discounting facilities. The present banks are regarded by all authorities, Mr. Neill himself included, as being unsuited to meet the requirements of agriculture in this country, and the question arises as to what we can devise to take their place for agricultural purposes. If we study the situation in Europe we find unfortunately there a multiplication of financial institutions, some helping one class and others assisting another. There is considerable duplication of institutions assisting agriculture, but it may be that with the denser population of these countries and the intensive nature of the farming carried on there, they can support the immense overhead. But I do not believe that in Canada we could
10 p.m. afford such overlapping. So that we shall have to centralize the thing as nearly as possible. With these systems in Europe it goes without further argument that the overlapping is expensive; we find there private, co-operative and state organizations all struggling with the problem. These systems have two objects; the first being the assembling of the community's credit. That is not the function of a central bank; it would be the business of some local organization or local bank. Their second object is the con-

version of the collective community credit into purchasing power, that would be the natural function of a central bank; in other words, it is discounting. Hon. members may question whether a central bank is essential for these purposes. I will therefore consider for a moment or two the situation as it exists in other countries. We find that in practically every one of those places where any effective system of rural credits is in operation, it was necessary to establish a central bank. In many cases, I admit, the central bank was not necessarily an institution that did every kind of business. Let me give an example or two to illustrate the point. The mortgage credit banks of Germany are directly under some governmental authority, either a state government or a local authority such as a municipality in this country.

Mr. MACLEAN (York): And the public credit is behind the whole system as well.

Mr. GARLAND (Bow River): Exactly; the public credit in every case is behind these enterprises. In Sweden there are ten distinct loan mortgage associations and the whole system is centralized in the Swedish Central Mortgage Bank, again, a government institution.

We then come, in respect to short-term credits, to the raiffusen system in Germany which consisted in the formation of local societies and the federation together into a central body. Under the Credit Agricole of France we have several regional banks in the principal towns, and then the grouping into one great central federation of credit. In Australia, and in most of the states of the Commonwealth, provision is made for loans from governmental sources direct. Perhaps the most outstanding type of this is to be found in New Zealand. I should like in this connection to quote, for the information of the members, from page 38 of Dr. Tory's report. This, I think, is one of the most advanced systems of centralized control that I have come across in my studies.

Section 18 of the New Zealand Act sets out the process by which money for the purpose is raised:

1. For the purpose of the Advances Office, the Minister of Finance, on being authorized by the Governor in Council so to do, may from time to time raise on the security of and charge upon the public revenue of New Zealand, such sums of money as he deems fit not exceeding in any one financial year the amounts hereinafter specified.

2. The maximum amount that may be raised in any one financial year for the business of the several branches of the Advances Office shall be as follows:

For advances to Settlers branch.. ..	£1,500,000
For the advances to Workers branch ..	750,000
For the advances to Local Authorities.	1,000,000

3. The sum so raised shall bear interest at such rate, not exceeding 5 per cent per annum, as the minister prescribes.

The statement then goes on:

Since the inception of the scheme in 1894, loans have been advanced to 53,228 people amounting to £19,826,-812, of which £12,155,000 has been repaid—

And that is my answer to those who fear the non-repayment of direct government loans.

—leaving outstanding, £7,670,188.

Those figures are as at December 31, 1921. Of the loans outstanding at the above date, 14,166 are for sums not exceeding £500.

In connection with this it may be of interest in passing simply to note the attention given by the government of New Zealand to the necessity of advances direct to workers in that country.

Under the Advance to Workers branch (and a "worker" is defined as a person whose income does not exceed £200), there has been loaned £4,446,685 and under the advances to local authorities branch, there has been loaned out £4,661,000.

I think I have made it clear that when the government, as it eventually must, establishes some system of rural credits in this country, some central agency will be required. Dr. Tory and every other authority who has investigated this question in this and other countries recommend in every case that the control of local credit should ultimately rest in the borrower, but the financial credit should be obtained, by reason of the low rate of interest at which governments may secure it, by the state. I, therefore, urge, for this purpose if for no other, the establishment of a central bank in Canada.

There are other arguments, however, that may be brought forward. There is no doubt that the level of prices against the height or which so many persons in this House and this country groan, can be regulated by discount rates through the agency of a central bank. Let me give you an example of just what I mean. In Canada at this time there is undoubtedly a requirement of credit—financial credit, not real credit. We have all kinds of real credit, but we need financial credit. If we had a central bank established, then by lowering the rate of interest and making easy the securing of loans for proper development purposes, we could put to work every man in this country, we could start the wheels of industry running, we could re-establish our agricultural population and we could place our business east and west in a happier state than it is at this moment. After you had reached the level of consumption, let us call it "the saturation point" of consumption and production, the controlling commission, the body

that would control that central bank, could then regulate the rate of interest so as to prevent or discourage further borrowings that could have no other effect than to increase prices. Similarly, if there was an inclination to drop off in production, there could be a lowering of the rate of interest for the purpose of encouraging the borrowings so as to encourage production again. Let me suggest this that before that plan, simple in its theory, difficult in its practice, can be carried out, it will be necessary that more attention be turned to the development of the consumption power of the people at home rather than the placing of our goods on foreign markets. That is one principle that will have to penetrate the minds of the people of this country if we are ever going to solve this financial problem. One may ask: When shall we know just when to turn off the credit tap? When the index figures indicate—and certainly it will require a complete Bureau of Statistics to do this—that production has reached saturation, in other words, when everyone is employed that can work or is willing to work, then you can control, turn off the credit tap by a delicate adjustment of the rates thus preserving the productive and consumptive capacity of the country. An effective banking system should be adapted to the peculiar economic needs and conditions of the country concerned. An ideal one should grant security, not only as to bank credits, but to the depositors as well. There is no hope of ensuring that security for depositors under a privately controlled banking system. Such a system must be state controlled. The power must rest in the state. The people in this country are not going to be satisfied to continue under a privately owned, profit making banking business, risking all their deposits without any effective guarantee or protection, and I will deal with that question of protection in a minute, because hon. members, including the Acting Minister of Finance (Mr. Robb) may question the statement. Let me now remind hon. members that the central banking principle has been applied in such countries as the United States, England, France, Germany, Australia, South Africa, New Zealand and many others, and the preponderance of expert and practical opinion of the world is in its favour. How long is Canada going to wait? Are we everlastingly going to be in this position of straggling along behind? We certainly ought to be proud of our new country and be willing to adopt the new proposals that will so readily adapt themselves to the development of a new country.

The normal resources of Canadian banks are not and never have been sufficient to meet a crisis in this country. They failed to protect adequately credit and otherwise handle the situation in every case where a crisis arose and only exist by virtue of emergency measures that were then taken to tide them over. In 1914, the War Finance Act helped the whole system of Canada from complete, from absolute collapse. No one denies that statement. On January 3, 1919, $82,275,000 worth of Dominion notes were out against securities under that Finance Act. That is an example of the extent to which the rediscounting facilities of the Finance Act were exercised or taken advantage of by the banks. That saved them. In 1907 an absolutely illegal emergency offer of $10,000,000 in Dominion notes was made to the banks and was accepted by them to the extent of $5,000,000. Sir Thomas White himself in dealing with the War Finance Act of 1914 said:

> The act is available and may be brought into operation by the government by order in council in case of war, invasion or panic, real or apprehended.

He also states that the day it was brought into effect such emergency measures were absolutely illegal. True, we have the Finance Act now made permanent, but other crises will arise under private monopoly of banking which will never be met by privately controlled banking, but will have to be met in every case by placing underneath the private financial structure all the credit of the state. Why, therefore, do we hesitate to take over what rightly belongs to ourselves, what always has belonged to the people, something we have alienated from the people by our own act, the sovereign right of the people of this country not only to control their own credit but to control their own issue of currency?

Mr. McMASTER: That is the point.

Mr. GARLAND (Bow River): The application of the War Finance Act which I have been discussing is under the Department of Finance. May I most urgently and sympathetically urge upon the acting minister that the Department of Finance is not qualified for discharging the duties imposed on it under the Finance Act in regard to re-discounting? It owes many other duties to the public which it cannot possibly perform properly while it attempts to perform the exacting requirements of a re-discounting central agency.

The hon. member for St. Lawrence-St. George tempts me to touch for a moment or two upon the Canadian banking system. I am sorry to say that I do not share the very favourable opinion which he has expressed of that

system. But before I touch on that, let me give the House just one particular instance out of many where a central bank has been of tremendous usefulness to the people. I am referring to the Commonwealth Bank of Australia. In relation to that bank it has been said:

> The private banks there have not been put out of business or destroyed by the establishment of the Commonwealth Bank.

That is my answer to the hon. gentleman when he suggests that we wish to tear down private banks. I have very little use for private banks, but the proposal which I am advocating does not look towards the tearing down of any bank, it looks towards strengthening the banking system and the financial fabric generally. In Australia the private banks met the keenest competition from the Commonwealth Bank, and in an article published in the Bankers' Magazine of New York in 1917, after stating that a general banking business was commenced by the Commonwealth Bank on January 12, 1913, it proceeds:

> About this time the money market was "tight" and the ordinary trading banks were increasing their rates for overdrafts. The advent of a new and powerful competitor, such as the Commonwealth Bank of Australia, with a maximum rate of 6 per cent on overdrafts, therefore had a salutary effect in keeping rates of interest at a reasonable level, and the commercial trading community throughout the whole country has unconsciously received a large measure of benefit from the bank's entrance into the commercial sphere.

One of the first effects therefore in my opinion, of a properly organized central bank in this country, with a flexible low rate of interest, would be to govern rates of interest throughout the country.

Let me remind the hon. member for St. Lawrence-St. George that when he refers to equal banking facilities east and west he is far from the mark. What rates of interest are charged to industrial concerns and to farmers in eastern and central Canada?

Mr. MARLER: What kind of loans is my hon. friend referring to?

Mr. GARLAND (Bow River): The ordinary banking loans that are made to farmers in eastern Canada?

Mr. MARLER: Banks do not make loans to farmers in eastern Canada on real estate. My hon. friend will find the rate of interest is in all cases compatible with the security and the expense of running the bank in the particular locality.

Mr. GARLAND (Bow River): Mr. Speaker, I most emphatically deny that there is not the grossest discrimination against the agricultural population of western Canada in the matter of financial facilities. I know, and the House knows, that we have to pay banks interest compounded and renewed every three months on notes often supported by chattel mortgages on cattle, at 8, 9, 10 and even 12 per cent interest. In the face of these conditions it can hardly be suggested that equal facilities are afforded to the farmers of the West; it is absurd to say so.

Mr. MARLER: Equal facilities as regards capital.

Mr. GARLAND (Bow River): I do not understand.

Mr. MARLER: The same amount of capital is available. It is possible that the rate of interest may be more. I was not discussing the question of interest, I was discussing whether capital was sufficiently decentralized in the country, and I contended that capital was available equally both in the East and the West.

Mr. GARLAND (Bow River): Mr. Speaker, This House may be full of capital, but if one is charged a rate so exorbitant that it makes it valueless to him, it is certainly of no use and might as well not exist. Now why do I not share the very favourable opinion of the hon. member with regard to the branch banking system?

Mr. MacLEAN (Prince): Before the hon. member leaves that question,—does not security influence the rate of interest charged?

Mr. MACLEAN (York): No, it is geography.

Mr. GARLAND (Bow River): No, I am afraid it is just whatever can be squeezed out of the borrower. The hon. member for St. Lawrence-St. George said so himself in other words; he stated that private bankers will go wherever they can get the highest rate of interest.

Mr. MARLER: I said nothing of the kind.

Mr. GARLAND (Bow River): I understood the hon. member to say this afternoon that bankers will loan where they can get the best security.

Mr. MARLER: That is altogether different from saying they will loan where they can get the highest rate of interest.

Mr. MacLEAN (Prince): Does not the hon. member think that competition among a number of banks has a tendency to keep down the rate of interest, and that if banking is centralized this tendency will be reversed?

Mr. GARLAND (Bow River): It may be true that in eastern Canada in the large industrial centres where there are great speculative enterprises with friends on the board of directors there will not be competition in the business.

Mr. MARLER: My hon. friend is not fair in making that statement.

Mr. GARLAND (Bow River): Turn to the records of the Merchants Bank, turn to the records of the Home Bank, and you will find out whether I am fair or not. Turn to the records of any bank that we have been able to examine under competent authority and you will find my facts are correct; they cannot be contradicted.

Mr. MacLEAN (Prince): I think they are overdrawn so far as eastern Canada is concerned.

Mr. GARLAND (Bow River): I do not think it is worth while pressing the matter further, the facts are patent in every investigation we have had that was of any value. Turning to the branch bank system, nothing illustrates better the evils of the system than the retarded growth of the western cities and the cities in the Maritime provinces where the natural riches are extensive. Canada has a great and resourceful people, and yet most of her cities and towns are farming and fishing centres, and there is a noticeable lack of industrial enterprise outside our few banking centres. The financial resources of her outlying districts are tapped and brought to a central reservoir, with the result that great centres like Montreal and Toronto profit at their expense.

Mr. MARLER: My hon. friend will find that more money is loaned in the West than is received in deposits.

Mr. GARLAND (Bow River): Can my hon. friend produce evidence to prove his statement? We tried to get a definite statement from the president of the Bankers' Association last year in the Banking committee, and we could not. His answer was that it would hurt the banks, and that therefore it was not advisable to disclose it.

Mr. MARLER: I can get it for you.

Mr. GARLAND (Bow River): Dealing with the branch bank system of expansion, let me quote from a speech made at a meeting of bankers in Chicago, held a few years ago, with all the local bankers and many of the principal bankers of the country present. The report of this meeting was printed in the Monetary Times of Toronto, Volume 69, No. 16, of October 20, 1922:

> The branch bank system of expansion is a centralization of money power in a few hands; the American system is one of decentralization of money power, but with organization and mobilization of reserve available to all.

I do not entirely agree with the speaker, regarding the American system, but there is an element of truth in his statement.

> The one is a system of centralization, the other a method of co-operation. The one is a domination of money power by a few, the other an organization of the resources of the many, uniting all independent banks into one cohesive whole.

Again I quote from the same report:

> Branch banking is monopolistic and would ultimately destroy the independent bank system. What branch banking does to the independent bank is demonstrated by the steady decrease of banks in Canada and England. The system means the elimination of the small bank and the concentration of banking power in the hands of the large banks.

Without quoting any further in this matter let me ask the House to visualize the situation. I am not going to say always they do it, but under the present banking system in Canada the few who hold control—and let us not forget that four banks hold seventy per cent of the deposits of the people, the remaining ten hold the balance—these four banks have the power of siphoning from every corner of the Dominion the savings of the people into the two great central reservoirs of credit in Montreal and Toronto. Once they have it there they have the power to do what they like with it, send it where they will, send it out of the country to New Orleans, to Mexico or to Mesopotamia if they want to. The interest of Canada is not properly taken care of under any system of that kind. Remember, Mr. Speaker, I do not blame the bankers for doing this. I blame those who sit here inert in the face of that system.

Mr. VIEN: Will my hon. friend contend that a federal reserve bank would help to relieve the situation?

Mr. GARLAND (Bow River): Certainly, it is relieving it to a great extent.

Mr. VIEN: Did it do it in the United States?

Mr. GARLAND (Bow River): Certainly, it has done it to a great extent.

Mr. VIEN: Has my hon. friend read the speech of Mr. Skelton Williams, who was Controller of Currency in the United States for eight years?

Mr. GARLAND (Bow River): Yes.

Mr. VIEN: Did he read the speech of Mr. Skelton Williams at Augusta, Georgia, July 14, 1921?

Mr. GARLAND (Bow River): I should be very glad to give the hon. member another opportunity of reply. Let me tell him, however, that Professor Skelton Williams has definitely stated that under proper management, if a proper board had stayed in power over the federal reserve system in the United States, the evils which are dealt with in the speech to which my hon. friend refers would never have arisen. It is a question of getting the best men.

Mr. VIEN: Does my hon. friend believe that a federal reserve system would not have to cope with the human element of any directorate in Canada just as it has had to cope with it in the United States?

Mr. GARLAND (Bow River): Certainly, with this one element removed, the element of personal interest and greed, the most vicious element in modern civilization.

Mr. VIEN: And my hon. friend believes that under the system he proposes, that human element would be removed in Canada?

Mr. GARLAND (Bow River): I am afraid the fine faculties of the hon. member have not quite grasped my point. Under the system of a central bank we would appoint our own board, non-politicians, men of highest financial standing. You have a parallel in the case of your Canadian National Railway system, why not practise the same policy in the case of the banking system? Appoint the best men that money can get; place them there on salary, not for profit taking, but in the interests of the country.

Mr. MARLER: From Alberta.

Mr. GARLAND (Bow River): Not necessarily; the hon. member's remarks are hardly fair. We are simply making an honest effort to meet the situation that has arisen, in Canada. I may say in all fairness that I am not completely enamoured of tinkering with a privately-controlled banking system. I think this proposal however is an evolutionary step in the right direction, but I do not think it will solve the whole credit problem by any means. In countries such as the member for Lotbiniere (Mr. Vien) referred to a moment ago, the United States and elsewhere, the establishment of a central bank, although it has relieved the situation, has not materially changed the general trend of financial control.

Mr. VIEN: Or the rate of interest.

Mr. GARLAND (Bow River): Yes it has. It has tended towards equalizing the rate of interest all over the United States, especially in connection with agricultural loans.

Mr. VIEN: If my hon. friend will allow me, I may point out that a farmers' bank in Alabama was charged as much as 87½ per cent per annum for the money that they rediscounted at the Federal Reserve Bank.

Mr. GARLAND (Bow River): In Doctor Tory's report it is stated clearly that where a central bank is established to take care of credits there was an evening of the rate of interest all over the agricultural fields of the West and East, and that is one of the things that we recommend. However, in all these countries agricultural and general industrial conditions are almost as bad as, and in many cases worse than they are in Canada. They have not, therefore, succeeded in permanently ensuring prosperity or even costs to agriculture itself. Nor can any system of this kind do so, as long as we recognize private control of the community's credit in the ultimate. The failure has resulted in that under every known system in the final analysis the control of credit itself is in the hands of private individuals and is not being used to the advantage of nations but for profit taking. The day will come, must come, when governments and peoples will realize that money itself is not wealth and should be at the service of a nation's credit instead of, as we have it today, the nation's credit at the mercy of money and those who control it.

So far as we are concerned I do not think there should be any half way measure. The people of this country are sufficiently aroused to the situation, and nothing has so aroused them or can so arouse them as something that touches their pocket-books. They are aroused at this moment and will not rest until some government—if it be not this one, then the next, and it may not be long before there is another—has established some system of complete guarantee for depositors. There must be safety for the money of depositors in this country. The public are expecting it, and no mere inspection such as the Acting Minister of Finance proposes will in my opinion go very far to solve the problem.

So far as the control of finance of this country is concerned, it is to be observed that

as few as fourteen men in the Dominion, general managers of fourteen banks, with headquarters in the East, through a system of inter-locking directorates, banks, trust companies, public utilities and so on, control no less than $4,286,000,000 of the wealth of this country, thus dominating to all practical intents and purposes the whole arterial system of the commercial life of Canada. That hold must be broken, if the people are to be saved from future disaster. The present unsatisfactory, expensive and unstable banking system of this country certainly requires, if it is to continue at all, some strengthening agency. Just a step toward complete control of the credit of the people would be taken if we ventured toward the establishing of a central bank—just a step, but an excellent step and one that should be taken. The central bank would be in a much better position to bring about an increase of the purchasing power of the public, a removal of unemployment and a stimulation of industry. I am, as hon. members know, a free trader. I believe in free trade, in international free trade, but I do not believe that free trade alone by any means can solve this problem. We must go further. What is most needed in Canada at the moment is to bring industrial activity to its capacity, to stimulate the buying powers of the nation, and to give employment. Hon. members may ask how this is to be done. I shall not give them my answer, but the answer of Mr. Reginald McKenna, the chairman of the shareholders of the Midland Bank, and not long ago Chancellor of the British Exchequer. He has this to say:

> When national output is below productive capacity, the policy should be to let money out; when production is at a maximum, the outflow of money should be checked, and if inflationary symptoms have appeared, money should be withdrawn. . . . No trade can stand up against a continued decline in the purchasing power of the public. Less money means lower prices or less production, or both, and orders will be withheld so long as there is an expectation that prices will fall.

Let me ask hon. members to pay particular attention to what follows:

> We have deliberately to make up our minds as to what we want. If we mean to get rid of unemployment—

If we mean to give employment to the thousands of immigrants the government is bringing to this country.

> —we must have more money in existence to take up the increased production. . . . Whatever name we give to this expansion of credit, it is indispensable to the proper functioning of our commercial system, and is imperatively needed when trade is deferred and unemployment general.

Now, Mr. Speaker, I do not think it will be necessary to add anything further to the speeches of hon. members who have preceded me. Let me, therefore, in conclusion, simply sum up what in my opinion are the weaknesses of the present banking system of this country—weaknesses that can readily be removed by the establishment of a central bank under proper state control.

1. There is no guarantee of deposits. I think there should be a central bank to guarantee them.

Mr. VIEN: Does my hon. friend contend that in any civilized country in the world the government or any central bank guarantees deposits?

Mr. GARLAND (Bow River): The argument of the Bourbon! We must not move from where we are! If other countries have not done it, that is no reason why we should not. If it is good, let us step forward; I argue that it is good, and I await the hon. gentleman's answer.

2. The Bank Act permits every cent of the deposits in any Canadian chartered bank to be taken to redeem the bank notes issued by that bank, bank notes being a first lien on all assets including deposits in the bank which issues them. The depositor, therefore, has a real interest in the "Note Circulation Redemption Fund." All the banks are required to contribute an amount equal to 5 per cent of their average bank note circulation to this fund—Bank Act, Section 64. In the event of a bank becoming insolvent and being unable to liquidate all its bank notes within two months of going into suspension, the notes are liquidated out of this fund and note holders receive interest at the rate of 5 per cent until the notes are paid. The Canadian chartered banks had in circulation in 1922, bank notes to the value of $166,466,109, while the "Note Circulation Redemption Fund," which the poor, unfortunate, gullible public believed in many cases was a real redemption fund, amounted to $6,493,593. Before the contributions of banks other than that of the insolvent bank, to the "Note Circulation Redemption Fund" can be finally applied to payment of notes of an insolvent bank, the depositors of the insolvent bank must suffer a total loss of the money they had deposited in such bank.

3. The Bank Act gives the Dominion government a second lien and the provincial governments a third lien on the assets, including all deposits, in any chartered bank in which such governments have made deposits. In the case of the insolvent Home Bank, the Dominion and provincial governments receive their deposits in full, whereas the

ordinary depositor will probably receive only thirty-five to forty cents on the dollar, unless he gets some support from this government. Any special borrowings under the Finance Act of 1914, still in force, also constitute a prior lien ahead of the common depositor.

4. The Bank Act also permits Canadian chartered banks to give preferred security to any of their creditors establishing a further prior lien ahead of the depositors, so a Canadian chartered bank could give a mortgage of its assets, of its real assets at least, and leave nothing for the depositor. The Home Bank is a case in point. Being insolvent, it mortgaged its bank premises, by which act the position of the ordinary depositor was further weakened, since in the winding up of the bank, the creditor holding such mortgage on the bank's premises ranked as "Secured Creditor" whereas the depositor ranked as "Unsecured Creditor."

Mr. MARLER: When the Home Bank mortgaged their property in Toronto, where did the consideration for that mortgage go? They got money in return, and that money went into the bank and was an asset for the depositors.

Mr. GARLAND (Bow River): I think a good deal of it went to pay dividends for the shareholders.

Mr. MARLER: That is not a fair answer.

Mr. GARLAND (Bow River): I am afraid it is only too true in this case. To continue: According to a pamphlet published by the Canadian Bankers' Association recently, page 15, deposits "are a fourth mortgage" on the assets of the bank. When we go into a bank and deposit our money, we deposit it there for safe keeping, not for speculative purposes. The bank performs a service for which it charges interest, and that money on deposit there becomes only a fourth mortgage, and it is not even a fourth mortgage, because in the case of the bank becoming insolvent the depositor is only an unsecured creditor of the bank—a bank chartered by the Bank Act in which we have deposited our money in good faith for safekeeping.

5. Canadian chartered banks are empowered to receive deposits "without limit." This permits them to incur liabilities to the public without relation to their ability to meet such liabilities out of assets. The Home Bank opened up over thirty new branches and took in over $8,200,000 of new deposits after it had become insolvent. This is possible in any bank, under our Bank Act. There is nothing to prevent any bank from taking in unlimited deposits. It is sometimes not always convenient to do so. Mr. Ford puzzled one bank in the United States by depositing too much money with them.

6. There is nothing in the Canadian Bank Act to prevent a bank from loaning all its funds to one concern, and cases have actually occurred where Canadian chartered banks have loaned an amount greater than their entire capital and reserve to one company. La Banque Nationale, with a combined capital and reserve of $3,400,000, loaned $5,000,000 to La Machine Agricole de Montmagny, which finally placed the bank in a position where it could not any longer carry on, and had it not been for the action of the Quebec government in voting $15,000,000 of the credit of the province of Quebec to assist La Banque Nationale in its merger with La Banque Hochelaga, La Banque Nationale might have gone under and taken La Banque Hochelaga with it.

Mr. MACLEAN (York): That was money raised on the public credit, too.

Mr. GARLAND (Bow River): Exactly. Again, the Home Bank with capital and reserve of $2,500,000, made loans to A. C. Frost and Company, which, with accumulated interest, reached the sum of $4,530,000, this account being one of the principal factors in bringing about the insolvency of the Home Bank with heavy loss to the depositors.

7. The relation of share capital to total assets in Canadian chartered banks has shrunk from 11 per cent in 1902, to 4 per cent in 1924.

8. Over 60 per cent of the share capital of Canadian chartered banks is tied up in bank premises—largely buildings, which are of little use in the event of the insolvency of the bank, because they are not suitable for general business purposes.

9. In 1890 Canada had 36 banks; in 1900, 34; in 1913, 24; in 1923, 17; and to-day only 14. Ten years from now, interrogation? The country's credit is given free except for a tax of 1 per cent to banking corporations which are permitted to issue their notes to an amount equal to their paid up unimpaired capital and to charge the public high rates of interest on the bank notes printed by them—paper money, which cost the banks only the expense of printing and handling. Yet among the recipients of this special endowment of the public credit there are those who claim that it would be unjust to use that credit to make good the loss sustained by depositors of insolvent banks. On several

occasions special votes of public money have been used to assist banking corporations both individually and collectively; while the depositor who creates wealth and deposits his money in a chartered bank has remained unprotected.

I have earnestly presented my views on the existing banking system and on the question of a central bank. I hope I have convinced the House that it would be the part of wisdom, that it would be the part of reason, to allow the passing of this motion to concur in the recommendation of the committee. It is my only idea that all these matters shall be properly and fully discussed so that the public, and the members of parliament who represent them, may be acquainted with all the facts in connection with them and then that the wisest action, in view of any considerations that arise shall be taken in the interests of our country.

Mr. WILLIAM IRVINE (East Calgary): We are drawing very near to the end of another day and some of us have been educated, some of us have been entertained, and some of us have been exasperated by the debate which has taken place. I have a good deal of sympathy with those who have exhibited exasperation, knowing that they look upon this question from an entirely different viewpoint and feel that much time has been wasted by the discussion of this question. So, in order not to overdo the matter, I wish now to make but a very few observations comparatively speaking. I want to remark that I consider this an epoch-making occasion in the parliament of Canada, and I would not for the world miss this opportunity of taking even a slight part in the discussion. The political life of hon. members is very uncertain indeed. It is perhaps more uncertain for me than for anybody else. I can look into the future somewhat and see the time when the question which has been debated to-night will be considered the pivotal question in the political discussions of this country; and I want to be able to turn up the old Hansards when I am not here and say "Thank God I had enough intelligence to take part on the right side of that issue". That is the first reason why I will not pass this opportunity of saying something.

This is an epoch-making occasion in that we have had this matter brought forward by the newest political group in Canada. The birth of a new economic group, which was announced in the daily press some time ago has now been announced on the floor of the House by concerted action in this debate.

Mr. MARLER: Who is the leader of the group?

Mr. IRVINE: I have been asked "Who is the leader of the group?" I do not consider myself one of the group, I am on the outside co-operating with them in great ideals.

Mr. VIEN: Has the group been named?

Mr. IRVINE: I have not been called upon to christen this child or else I should have solicited a name from the father of it.

Mr. VIEN: What would you call it?

Mr. IRVINE: I am calling it "The Economic Group" representing economic ideals and ideas on the floor of parliament; and I say that if we can take the argument to-day as typical of that intelligence which will characterize the new political movement in Canada I think we may feel very much encouraged. I hope this group may be regarded as typical of that studious, virile intellectuality which—coupled with prophetic insight and devotion to duty—will mark the new political movement and constitute its greatest appeal in the coming years.

Mr. VIEN: Does my hon. friend belong to it?

Mr. IRVINE: I have just pointed out that I have not the honour of belonging to it, but I do have the honour of welcoming it and of feeling that there are in that group minds and spirits with whom I can find at least some political affinity. It is for that reason that I have taken this occasion to refer to the splendid debate which they have inaugurated and carried forward on the floor of the House to-day.

This is an epoch-making occasion in the Canadian parliament in that the debate itself is an evidence that it is dawning on the mind of our time that finance has something to do with industry and commerce, something to do with the standard of living of the people, something to do with poverty, something to do with millionaires, and something to do with every question that touches the economic and commercial life of a nation. It is an evidence that the old political shibboleth has served its day in Canada, and that other questions much more fundamental and much more scientific will be substituted for it and engage the attention of the thinking public. The financial question is the issue, I believe, not only for Canada but for modern civilization. There can be no solution of any of the problems to which we have devoted ourselves throughout this session until we have tackled and solved the central problem

of modern civilization which is finance. I am not, of course, entirely convinced that the mere organization of a central bank is indispensable, neither am I absolutely convinced that it, in itself, will constitute a solution of our financial problems; but I am certain it will do good to study the question, and after all that is the extent to which the new political group has gone in this debate today—that parliament might authorize, or permit if you wish, the select standing committee on Banking and Commerce to study this question in relation to the Canadian banking system. I must add that the only reply to the challenge of this group which the government has given has been a portentous silence, with the exception of the interjection of a speech by the chairman of the committee, a remark of about two minutes duration by the Acting Minister of Finance, and an elaborate effort on the part of the member for the two saints—I just forget the name of his constituency—oh, yes, St. Lawrence-St. George (Mr. Marler), there has actually been no reply to the argument that has been put forward by the hon. members on this side of the House.

Let me now turn to such arguments as have been advanced by the hon. gentlemen I have mentioned, to see whether the intelligence of this House, judging the question on its merits, will be thrown on the side of these three hon. members opposite who have spoken or whether into the scale with the reasoning of hon. gentlemen of the new political group. The chairman of the committee, speaking against the proposal on its being introduced, suggested that all the information that any hon. member could require was available in the library. I do not know whether that is absolutely true, although I am certain that we have a very fine library. But the same argument, surely, could be advanced with regard to almost any problem that might be brought forward for consideration. Let me point out that we are not merely looking for a wealth of academic information, or for any proposals or any theory; what we want to get are the actual facts surrounding the situation as it now exists in this and other countries in so far as they relate to a central banking system. We want also the facts in connection with the Canadian system of banking in order to see whether it is feasible or practicable to introduce the central banking system in this country.

Mr. VIEN: In addition to the information which is to be found in the library, I took it for granted that the hon. gentleman knew all about the subject.

[Mr. Irvine.]

Mr. IRVINE: I am flattered to be so generously complimented by the hon. gentleman, but I hasten to assure him that I have not yet managed to grasp every detail in the financial situation throughout the entire world. However, we are proceeding as fast as we are able to go in getting such information as we need. But I have not the information that would justify me in concluding, with that same assurance that my hon. friend displays, that a central banking system is not practicable for this country. I was rather amused at the hon. gentleman's anticipation of the argument of hon. gentlemen to my right. The hon. member anticipated in leading the argument against the adoption of concurrence that these gentlemen, in arguing for the establishment of a central banking system for Canada, would submit as a reason that the people of Canada had a great deal of difficulty since the war and had experienced hard times, bank failures and unemployment, and that if we could only get a central banking system, presto!—all these undersirable circumstances, all the difficulties that we have been struggling against would disappear, and everything would be fine. That was the way in which the hon. gentleman anticipated the arguments of my hon. friends to my right. But those of us who listened to the statements that those hon. gentlemen actually made know very well that no such view is held by those who are advocating the study of this question. These gentlemen put their argument rather upon an economic basis, seeking first of all to create an agency by means of which it will be possible to obtain control of the national credit, which is the actual means by which Canada, as well as other countries, does business. Hon. gentlemen made the suggestion that through a central banking system it may be possible to get that control; and they seek to get that control by allowing this central agency to issue national currency, taking from the Bankers' Association the privilege which they have enjoyed so long of issuing their own notes to be redeemed ultimately out of the pockets of the depositors when the banks fail. That is the crux of the argument put forward by hon. members who have supported the request for the extension of the powers of the committee. One other point which hon. gentlemen have advanced has been that the control of the interest rate would be one of the means by which it would be possible to control the tide of inflation and deflation which periodically sweep with devastating force over the industrial and commercial life of the country. Whether or not the claims of hon. gentlemen can be sustained by actual facts and in practice, I

am not prepared to say, but that is the argument at all events. Certainly their argument is not the frivolous assumption which the chairman of the committee indulged in.

The Acting Minister of Finance (Mr. Robb) gave the House the benefit of an observation which occupied about three minutes of time. I congratulate him on his brevity but certainly not on any comprehensive study of the question. The hon. gentleman assured us that there was no good reason for enlarging the order of reference. He may be right, but we shall require more than a mere casual suggestion from the Acting Minister of Finance to that effect. If he had supported his statement by considered reasons, I think we are competent enough to have followed his argument and to have desisted from engaging the attention of the House; but the minister did not sustain the views he put forward. He referred to an investigation which was held last year, but I would point out that there was no direct inquiry into this question then. Let me point out to the Acting Minister of Finance, however, that he never did anything in regard to the investigation, such as it was, which was held at that time; it was put to no use and no report was submitted; the thing was simply buried. The minister had no reasons to offer, but he concluded by informing the House that the Finance Act was working very well, and that being the case he seemed to imply that it was performing the chief function of a central bank in that it provided for discounting. Let me refer him to the gentleman who he admits is his best adviser, the Deputy Minister of Finance, and who told us in committee the other day that his best judgment was that we should get back to the gold basis. In other words, if we are to take the advice of the Deputy
11 p.m. Minister of Finance we shall do away with the Finance Act which the minister himself declares is working so admirably. It seems therefore that the Acting Minister of Finance and his chief adviser are somewhat at cross purposes so far as this particular question is concerned but even so that is no reason why this motion should be defeated. I desire now to deal briefly with the rather elaborate and detailed argument of the hon. member—

Mr. CARROLL: I rise to a point of order. I submit that the hon. member is not standing strictly by the rules of procedure. As I understand it, there are two or three propositions before the House in the report which has been presented and the hon. member is discussing subjects which are removed from any of the matters which are directly under consideration. I think the scope of the hon. gentleman's remarks should be circumscribed at least to what is relevant. I further object that the committee has no right to report on an order of reference in the manner in which it has been done. A report must first be made according to reference. Such is not the case here.

Mr. IRVINE: I am attempting to answer the argument put forward by a representative of the government, and even if the minister was out of order I suppose the House will permit me nevertheless to reply to the points he has made. I do not say that my remarks are all strictly relevant, but a certain point having been brought forward by my opponents and admitted as argument leaves no other choice to me but to smite it.

Mr. CARROLL: There are two or three propositions before the House with certain recommendations from the committee and if hon. gentlemen are to enter upon a discussion of questions relating to mining, commerce, soldier's civil re-establishment, and other matters of a like nature it seems to me that the debate is likely to get out of hand. The hon. member, I submit, should confine his remarks as closely as possible to a discussion of the report as it has been submitted to the House. I am bringing this to your attention, Mr. Speaker, for the purpose solely of curbing hon. members like my hon. friend in their endeavours to make a speech which will go abroad rather than a speech which will be instructive to members of the House.

Mr. SPEAKER: I am quite sure the hon. gentleman will generally observe the rules. I must say that the discussion throughout the day has taken a very wide range, because the question before the House, if it were carried into effect would, from what I understand of it, affect the whole economy of our banking system. Therefore, naturally it opens very wide the discussion of the subject matter. I am quite sure, however, that hon. members in discussing the question at this late hour will confine themselves to the question before the House and not wander away too much.

Mr. IRVINE: I am glad to know that my hon. friend is anxious about a speech that will go abroad in this matter.

Mr. CARROLL: I still rise to a point of order. I am quite willing that my hon. friend should discuss the Bank Act, but I still persist in insisting that there are three or four questions before the House as a reference

from the Banking and Commerce committee. I am going to insist now, since my hon. friend gets sarcastic about the matter, that he be confined within the terms of those three propositions.

Mr. SPEAKER: As I stated a moment ago, this is a very important question which affects the whole economy of the banking system and which naturally goes to the very root of our whole banking organization in this country. I cannot stop an hon. member who, I am sure, is quite willing and who desires to bring forward the best arguments to support his viewpoint. I am certain he will live up to the traditions of the House, that he must confine himself to the subject matter. So far, in my humble opinion, I do not see that he is out of order.

Mr. IRVINE: When my genial and loquacious friend interrupted me, I was coming to the argument of the hon. member for St. Lawrence-St. George.

Mr. CARROLL: No more loquacious than my hon. friend is.

Mr. IRVINE: I am sure that the hon. member for St. Lawrence-St. George will be as genial in listening to my comment on his arguments as I was in taking his from him. He is, of course, always very genial and honourable in debate. On this occasion, however, he reminded me of a huge Atlantic liner surrounded by a very thick fog. There was a consciousness that there were dangers somewhere ahead, but she tooted the whistle and sailed on disregarding entirely the dangers that lay ahead. He emphasized the point that 22 members out of the 90 voted that this resolution be placed before parliament. The question is: Where were the 90—the ninety and nine that safely played cards or were somewhere else? I do not know. Twenty-two were on their job doing their duty.

Mr. VIEN: Will my hon. friend allow me to correct him? He knows it is unfair to members of the committee to say that. Several other committees were sitting at the same time, the committee on Private Bills, the committee on Railways, and we had all the difficulty in the world to get members present at our committee because other committees were sitting. It is unfair to say that hon. members were playing cards while the Banking and Commerce committee were sitting. They were busy on other committees of which they were members.

[Mr. Carroll.]

Mr. IRVINE: I certainly do not wish to impute anything to any hon. member that I would not take to myself. But why did the hon. member for St. Lawrence-St. George raise that point?

Mr. VIEN: If I remember well, he said that only twenty-two voted for it against 7 who opposed it. That means twenty-nine members out of ninety who are members of the committee voted on that question. But he did not insist on the suggestion that the other members were playing cards.

Mr. IRVINE: I do not insist on it either I did not say what they were doing. I mentioned a number of things which they might have been doing. I did not say that any hon. member was playing cards.

Mr. VIEN: My hon. friend is unfair in that reference.

Mr. CHEVRIER: I rise to a point of order. I was a member of the Banking and Commerce committee, and it was not my privilege to vote on that question, but I deeply resent the unwarranted remark which the hon. member has just made. I was engaged on other committees. It is altogether out of keeping with the decorum which the hon. member usually keeps to make such an insinuation.

Mr. IRVINE: I have taken back twice the insinuation that my hon. friends took from my remark, and I now take it back a third time. I would not think of imputing it to my hon. friend, although I would not say it was a great crime if he did play cards. As a matter of fact, I think we ought all to have a game after this discussion in order to get this contentious subject out of our heads. I did not mean to insinuate anything wrong to any hon. member. The twenty-two members were there, however, and this was the finding. They represented the committee at that time.

The hon. member for St. Lawrence-St. George charged, I think, that the hon. member for West Calgary (Mr. Shaw) was out of order in his discussion, because the only question for discussion was whether or not the reference should be enlarged, whereas the hon. member for West Calgary had argued as regards the whole banking system.

Mr. MARLER: I did not say that the hon. member for West Calgary was out of order. He was not out of order. We are always delighted to hear him.

Mr. IRVINE: I know he was not out of order, but my hon. friend used those words.

Mr. MARLER: I never said so.

Mr. IRVINE: I was, however, glad that my hon. friend came back to the point and said that it was a question on whether this parliament would authorize the committee to study the subject. If parliament is considering authorizing the committee to study the question, that opens up the whole question of the financial system of Canada and the United States and in any other country having a central bank of issue.

Mr. VIEN: If my hon. friend will allow me—

Mr. IRVINE: If the hon. members wish me to finish anywhere this side of one o'clock, they had better let me go on. I do not object to questions, but I have a great deal of sympathy with hon. members who have to listen to me.

Mr. VIEN: If my hon. friend will allow me, he will agree to the fact that the report of the committee was obtained on a "snap" vote, on a vote which was taken at a moment when only 29 members out of 90 were present in the committee, the other members being busy elsewhere.

Mr. IRVINE: I do not know whether it was a "snap" vote or not. I certainly do know there was not much snap shown by my hon. friend in bringing the recommendation before the House. In this regard it took my hon. friend about four weeks to "snap." I am not concerned about the nature of the vote. I had nothing to do with that, neither had this House. It was reported as a majority vote, and that is all we have to do with it.

The hon. member for St. Lawrence-St. George apparently assumed that we wanted to transplant the American banking system into Canada merely because we asked to be allowed to consider the establishment of some type of central reserve bank. Now, it might not at all be fatal to transplant the American financial system over here. I am not sure about that. I think it is absurd to claim that a system which functions to serve a hundred million people could not serve nine million. But that is not really the argument. The argument is that we are seeking to consider some type, and all types for that matter, of a central banking system to see whether we can devise one that will be suitable to this country. That is the issue. But my hon. friend went on to describe in detail the functions of a bank. As he described them they are briefly these: First, to issue notes; second, to take deposits; third, to give elasticity of circulation; fourth, to give elasticity of credits. If these were the functions of a bank, our system performs them very well. That is to say, our banks issue notes—and they do it gladly; they take deposits—and sometimes they keep them; they certainly have great elasticity of circulation—when they want to; and they have great elasticity of credits— when it suits them; and they can contract it just as easily. Yes, if that constitutes the functions of a banking system, I agree with my hon. friend that we do not need any central reserve bank to facilitate these functions. But he might just as well have described a ship as being something that functions: first, to exhibit a figurehead; second, to be driven by steam; third, to be guided by a rudder; and fourth, to toot a whistle! That is a parallel description of my hon. friend's argument respecting the banking system. These things mentioned by him do not constitute the functions of a bank, they constitute the phases of a function. The main function of a banking system was entirely missed by my hon. friend. I repeat, if these were the functions of a bank, I would consider the introduction of a central reserve bank of no assistance to do these things, because they are very well done already.

The hon. member contended that the central banking system of the United States is entirely unsuited for Canada. He has so decided already. Then he points to the report of Mr. Skelton Williams and enumerates for us the phases of a central banking system. Then he tells us that we already have that system in Canada. After he has said that that system is entirely unsuited to Canada, he turns around and proves that we have every phase of it now! I cannot follow my hon. friend's reasoning.

Mr. MARLER: Let my hon. friend be fair.

Mr. IRVINE: Yes.

Mr. MARLER: Really he is acting as a contortionist. He is very amusing, in fact he is making a burlesque of the subject, but this is a serious debate.

Mr. IRVINE: I am glad to be informed by my hon. friend that he was not serious when he was speaking; I really did think so, and was trying to answer his argument in the same tone in which I assumed it was presented. If he was not serious, then I do not need to say any more about it. Let me hasten to conclude. All we are asking in this resolution is that parliament permit the select standing committee on Banking and Commerce to study this question. Are my hon. friends

afraid of what such a study may bring forth? If it should reveal that a central banking system is as impracticable, as dangerous, as inadequate as hon. members on the other side of the House have said it is, then surely we will not attempt to introduce it, and there can come nothing but good from seeking information. All we are asking is that the select standing committee be authorized to seek information. I trust that such authority will be given.

Mr. VIEN: You have it.

Sir HENRY DRAYTON (West York): Mr. Speaker, I would point out to the House the importance of really trying to ascertain what is the opinion of hon. members as to what ought to be done having regard to the absolute essentiality of some policy, some direction from the government. Surely the government now see what the result of a discussion at large is upon this matter. They see the different views presented—and many of them are reasonable—and they also see the conflict of some of those views. For example, on the one hand they see that it is the considered opinion of hon. gentlemen, supported by authority, that dear goods simply means cheap money; on the other hand, they are told, also supported by authority, that the answer to low prices and poor business is merely more money—cheap money. They see that we can get from financial authorities, from financial writers at any rate, a circle that will take this government back to just where it started. Surely the country is entitled to at least a little bit of decision from the government, for after all this is governmental business, this is not a merely idle academic debate. On May 21 this decision was arrived at; on July 2 the House gets an opportunity of debating it. What an idle opportunity it is! I do not like to see the House attempting idle things. What would happen if this resolution is to-day adopted? Does anyone think that in the expiring days of this session the question can be studied and settled? We all know it is nonsense to think so; it cannot be done. Hon. gentlemen wanted a discussion. They no doubt had a right to that discussion under the arrangement come to. But why did not the discussion take place when we could have done something useful with it?

Mr. VIEN: Will my hon. friend allow me a correction? Even if this motion had been discussed on May 21, the Banking and Commerce committee could not have considered a study of the question. The committee have sat for about twenty-three days, and they still have twenty-two more resolutions to consider before they can come to this question, even if it be referred to them by the House.

Sir HENRY DRAYTON: Well, Mr. Speaker, perhaps the committee might have thought this would be more important than some of the other twenty-two resolutions.

Mr. VIEN: I do not believe it.

Sir HENRY DRAYTON: It may be that the committee are trying to do so much themselves to-day that nothing will be done in regard to this resolution. But it is only a matter of regret, if we spread ourselves out so thin as to try to cover the whole universe. It is perfectly idle to say that anything can be done to-day. I am going to vote against the report because I do not believe in parliament doing idle things. What will be the effect of the vote? To say that during the few days that remain to us among twenty-two other resolutions this resolution may be considered is tantamount to admitting the futility of instructing the committee, for the committee ceases just as soon as this House ceases.

Mr. MACLEAN (York): When is it going to cease?

Sir HENRY DRAYTON: Well, I hope we are not going to stay here indefinitely and permanently. That is the last thing in the world that the country wants. I think a lot of people in the country have the idea that they are getting worse legislation from this House than they would have got if there were no House at all, and that we would be pleasing them best if we got away just as soon as we could. I am inclined to believe that that is what the general public think. Nevertheless these are important questions and questions which should be considered when there is opportunity to consider them. I doubt very much whether this matter is in order at all. I did not want to raise the point until the discussion was over because I wanted my hon. friends to have the opportunity of placing their views before the House. But the report on this question of inspection is in, and I think as a matter of order that the instructions are now discharged and if anything is to be done it must be a new committal to the committee. We might just as reasonably ask that we should have another Speech from the Throne.

The House divided on the motion (Mr. Desaulniers), which was negatived on the following division:

YEAS

Messrs.

Bancroft,
Bird,
Black (Yukon),
Brown,
Campbell,
Coote,
Evans,
Gardiner,
Garland (Bow River),
Good,
Hoey,
Irvine,
Jelliff,
Kennedy (Edmonton),
Knox,
Ladner,
Leader,
Lewis,
Lovie,
Maclean (York),
Manion,
Shaw,
Speakman,
Spencer,
Stansell,
Steedsman,
Stewart (Humboldt),
Tolmie,
Wallace,
Ward.
White,
Woodsworth.—32.

NAYS

Messrs.

Arthurs,
Baxter,
Béland,
Benoit,
Binette,
Black (Huron),
Boivin,
Boucher,
Bourassa,
Bowen,
Bureau,
Cardin,
Carmichael,
Carruthers,
Casgrain,
Chaplin,
Charters,
Chevrier,
Chisholm,
Church,
Clark,
Copp,
d'Anjou,
Déchêne,
Delisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Dickie,
Drayton (Sir Henry),
Drummond,
Duncan,
Fafard,
Fansher,
Findlay,
Fontaine,
Forrester,
Fournier,
Gendron,
Gervais,
Gordon,
Graham,
Grimmer,
Hammell,
Hatfield,
Hodgins,
Hunt,
Jacobs,
Johnston,
Kelly,
Kennedy (Port Arthur & Kenora),
King (Kootenay),
Laflamme,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Logan,
Macdonald (Pictou),
Mackinnon,
MacLean (Prince, P.E.I.),
McBride,
McConica,
McGiverin,
McIsaac,
McKay,
McKillop,
McMurray,
McTaggart,
Malcolm,
Marcile (Bagot),
Marler,
Martell,
Mercier,
Mewburn,
Michaud,
Morin,
Motherwell,
Murdock,
Ouimet,
Papineau,
Pelletier,
Power,
Preston,
Prevost,
Rankin,
Raymond,
Reed,
Rinfret,
Roberge,
Robinson,
Robitaille,
Ross (Kingston),
Savard,
Séguin,
Senn,
Simpson,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Spence,
Stewart (Hamilton),
Stewart (Leeds),
Stork,
Sutherland,
Thurston,
Tobin,
Vien.—109.

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Mr. CARROLL: Mr. Speaker, I was paired with the hon. member for York-Sunbury (Mr. Hanson). While I am not in a position to say how he would have voted on the question, had I voted I would have voted against the recommendation of the committee.

OFFICIAL REPORT OF DEBATES

Mr. G. H. BOIVIN (Shefford): Mr. Speaker, it was my intention to-night, in accordance with notice given, to move that the first report of the select standing committee to supervise the Official Report of Debates be concurred in. But when this motion was brought up the other day and the unanimous consent of the House was asked, the right hon. leader of the opposition (Mr. Meighen) objected. I see that the right hon. gentleman is not in his seat at the moment. I do not know whether he is in the building or not, but if he is not here I would defer until to-morrow the presentation of the motion and substitute therefor a motion which merely covers the last part of the report, to which the right hon. leader of the opposition is quite agreeable. I therefore move, seconded by Mr. Logan:

That the following questions be referred to the select standing committee on Debates for the purpose of considering the same and reporting their opinion thereon to the House, viz:—

1. Whether Hansard should be a record of debates only, containing such items of the proceedings of the House as may be necessary to make the report of the debates intelligible, or whether it should contain all the proceedings of the House as well as the record of debates.

2. Whether it is desirable, in the interests of economy of time, labour and expense, that the report of the debates in Hansard should be limited to such speeches as may be delivered when Mr. Speaker is in the chair, with or without a brief report of the proceedings in committee.

3. Whether it is desirable to make Hansard an official record of all the proceedings of the House of Commons, as well as a record of the debates.

I understand that even to move this motion I would have to have unanimous consent, but I already have the consent of the hon. leader of the opposition.

Motion agreed to.

REDISTRIBUTION COMMITTEE

CHANGE IN MEMBERSHIP

Hon. GEORGE P. GRAHAM (Minister of Railways): Mr. Speaker, before you leave the order of "Motions," with the consent of the House, I beg to move that the name of Mr. McGiverin be substituted for that of Hon. Thomas Low as a member of the Redistribution committee.

Mr. DONALD SUTHERLAND (South Oxford): This motion is certainly a surprise to some of the members of this committee.

Mr. Low has been chairman of the sub-committee for Ontario, and during the past two sessions we have been endeavouring to bring about a scheme of redistribution for that province. If this motion means that Mr. Low's services are no longer at the disposal of the committee, and we have to begin over again, it does not augur very well for a redistribution scheme being passed at the present session.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SALES TAX REBATES

Sir HENRY DRAYTON:

1. To what amount have rebates of sales taxes been claimed under the legislation of last year?
2. How many claims have been made?
3. How many claims have been checked and paid and resulting in what total amount?
4. How many claims have yet to be dealt with?

Hon. Mr. BUREAU: May I ask my hon. friend to let this stand? The commissioner does not know exactly what rebates he will have; or we might drop the question.

Sir HENRY DRAYTON: Better let it stand, and I will find out.

POST OFFICE EMPLOYEES

Mr. CHURCH:

1. What amount of money has been spent by the government to test the validity of the Industrial Disputes Act in the law courts to date in order to compel the appointment of a board of conciliation for the Hydro-electric employees at Toronto, and has any appeal been taken, or to be taken, to the Privy Council on the subject?
2. Has the government refused a similar board of conciliation to the Post Office employees as not coming within the act?
3. What conciliation was used by the government, if any, to adjust the Post Office strike?

Hon. Mr. MURDOCK:

1. The government did not undertake to test the validity of the Industrial Disputes Investigation Act in the law courts.

The facts as understood are that on the advice of the member of parliament for North Toronto and others, the Toronto Hydro-Electric Commission protested the formation of a Board of Investigation, which had been applied for June 25 and established July 24, 1923, and later secured an injunction from Mr. Justice Orde to restrain the board from sitting.

Later Mr. Justice Mowat disagreed with the decision of Mr. Justice Orde, but instructed that the case be carried to the Appeal Court of Ontario which later, by a judgment of four to one, decided that the Toronto Hydro-Electric Commission and Mr. Justice Orde were in error in the injunction sought and granted.

It is understood that an appeal from the decision of the Appeal Court of Ontario which sustained the action of the department in forming a board, has been taken to the Privy Council. In the meantime the board has not been permitted to function.

The cost of protecting the Department of Labour's rights under the conditions referred to above has to date been $7,297.05, which amount in whole or in part may be salvaged as the latest decision assesses costs against the Toronto Hydro-Electric Commission.

2. No application for a board was received by the Registrar of Boards of Conciliation.

The Minister of Labour advised certain persons inquiring, that a Board of Investigation would not be granted to determine whether Post Office employees' salaries, established by the Civil Service Commission and approved by the Governor-in-Council, in accordance with the law, should or should not be revised.

It is definitely held that government employees do not, and were not, intended to come within the provisions of the Industrial Disputes Investigation Act, but that the compensation of civil servants is, under the law, specifically established by a separate commission.

3. Early in the month of April 1924, members of the government on several occasions covering a period of two weeks or more met with officers of the Postal Workers Federation on account of the threatened strike of postal workers to be made effective about April 15, unless prior to that date the salaries of postal workers had been dealt with and revised by the Civil Service Commission. The government also intimated to the Civil Service Commission the desirability of proceeding as promptly as possible to revise the salaries of all of the branches of the government service, giving first consideration to the revision of the postal workers salaries.

These matters were also discussed with the government Board of Audit. Later the Civil Service Commission presented to the government its proposed revision of postal workers salaries, and that revision appearing to be less acceptable than proposals for salary revision which had been made by Post Office Department officials, the proposed revision of the Civil Service Commission was referred back to that body with a request that further consideration be given to the various representations that had been made, and that

additional opportunity be given to the representatives of postal workers and department officers to present their respective views or claims to the Civil Service Commission. The Board of Audit were also requested to give careful consideration to the salary revision for postal workers, and later the Board of Audit made known to the government its recommendations as to salary revision, which was found to be in respect to some fifteen classifications slightly higher or better than those which had been proposed by the Civil Service Commission.

The government therefore requested that the Civil Service Commission give further consideration to this matter, and for that purpose had before them the Civil Service Commission and the Board of Audit.

On June 9 the Governor in Council gave consideration to the Civil Service Commission's final report to the government on postal workers' salary revision, which was the third report to the government that had been made by the Civil Service Commission in this matter, although there was no difference in the rates of compensation proposed in either of the three reports.

On the same date a copy of the Civil Service Commission's report, as approved by the Governor in Council, was handed to the officers of the Postal Workers Federation.

No further word or representations were received from officers of the Postal Workers Federation until the morning of June 17, when a telegram dated June 16 was received by the Minister of Labour from Mr. G. R. Jackson, President of the Postal Workers Federation reading:

Postal situation developing more serious parliament can and should immediately right a wrong. Let me hear from you.

Reply was within the hour sent to Mr. Jackson as follows:

Your telegram of last evening will be brought before government to-day.

And on the same day, June 17, the matter was discussed by the government, and suggestion made that the Minister of Labour should communicate with the Postal Workers committee at Toronto to suggest that they come to Ottawa for conference with members of the government.

On the afternoon of June 17, the Minister of Labour by long distance telephone suggested to Chairman G. R. Jackson, of the Postal Workers Federation that the committee should come to Ottawa, and on that evening the committee representing the postal workers left Toronto, arriving in Otttawa on the morning of June 18.

On June 18, the postal workers committee were in the Minister of Labour's office from about 10.40 a.m. until 1 p.m. discussing with four members of the government the conditions of dissatisfaction said to exist and the objections filed by the postal workers against the revision of salaries that had been given to the committee on June 9.

It was discovered at this conference that the Postal Workers Federation had before leaving Toronto on the evening of June 17 authorized a Dominion-wide strike of all postal workers to become effective as of 5 p.m. on the evening of June 18.

At 1 p.m. on June 18, the conference in the Minister of Labour's office adjourned to permit the four members of the cabinet to discuss in council the situation as it had developed, and at 3.10 p.m. on June 18 the conference between the postal workers and members of the cabinet again met in the Minister of Labour's office, and the postal workers were given the following letter:

June 18, 1924.

Mr. J. E. ARCHER,
Secretary, Canadian Federation
of Postal Employees,
Ottawa, Ontario.

Dear Sir,

This acknowledges receipt of a copy of your letter of even date addressed to the Right Honourable the Prime Minister advising him that:

"Acting on the wishes of the membership of the organizations concerned, as expressed in a Dominion-wide ballot, a general strike in the Postal Service has been called to commence at five o'clock this afternoon."

After discussion of this matter with the government, I am authorized to state that we regret the decision arrived at by your committee, and it is a matter of additional regret that your committee have not prior to this date officially indicated to the government your dissatisfaction with the recent salary revision for postal workers as authorized by the Civil Service Commission and the government.

Since the receipt of your letter of even date, a sub-committee of the cabinet has had the opportunity of discussing these matters at some length with your committee and have heard the views of your committee that further consideration should be given to the claims of the postal employees by the government.

In connection with this matter the Prime Minister in parliament yesterday stated as follows:

"We are prepared. when the Civil Service Commission has submitted its report upon the salaries of the entire civil service, to consider that report carefully in the light of all the material which we have before us and to make to parliament, if we think it advisable so to do, recommendations supplementing those which are contained in the report of the Civil Service Commission. But we do not feel that we are in a position to make any recommendations to parliament at the present time with respect to the postal employees; and I hope that the employees of the Post Office Department will see that the position which the government is taking is one which is in the interests of the entire civil service of the country and in the interests of the taxpayers as well."

We also in discussion of this date learned of the dissatisfaction of the postal employees due to the

fact that in certain cases the present salary plus 1924 bonus was higher than certain rates proposed by the Civil Service Commission for the same class of employees, and I am authorized to state that in the case of employees whose revised rates, as determined by the Civil Service Commission are less than the former rate plus 1924-25 bonus, such bonus shall be continued until salary revision for the entire service has been consummated.

I am further authorized to say that in carrying out the plan and action proposed by the Prime Minister in the above quoted paragraph, that the government policy is that when the Civil Service Commission has submitted its report upon the salaries for the entire civil service, that opportunity will be given to the representatives of the employees in the Postal Department or in other departments of the government who have objections to file against salary revision proposed by the commission to fully present their views to a sub-committee of the government and to discuss such matters of differences as fully as may be necessary to ensure a thorough understanding, and, it is hoped a final and satisfactory agreement on the points in dispute.

I trust that your committee will at once take the necessary action to see that continuous operation of the Postal Service is maintained.

CHARLES STEWART,
Acting Postmaster General.

At 4 p.m. on June 18, members of the government withdrew from the Minister of Labour's office, leaving the postal workers committee in conference to determine their further action, and at 4.45 p.m. the Minister of Labour rapped on the door and advised the postal workers committee that 5 o'clock was only fifteen minutes distant and that some decision should be made as to whether the strike ordered for 5 p.m. was or was not to take place.

At 4.56 p.m. the postal workers agreed that the strike order for 5 p.m. that date would be set back for 24 hours, and at once by long distance telephone and otherwise, from the Minister of Labour's office, the committee undertook to advise their local representatives at Toronto and elsewhere that the postponement of the strike order had been determined upon by the general committee at Ottawa.

During the evening of June 18 for two or three hours the postal workers committee were in the office of the Acting Postmaster General at the House of Commons with members of the government endeavouring to set back for 24 hours the strike, which had in many places, as a result of previous orders given, taken effect in some towns and cities of Ontario and at other points.

On the evening of June 18 the postal workers' committee left for Toronto, and during the next day efforts were still made by the government to secure an adherence to the understandings reached the previous day that the strike would be held in abeyance for 24 hours.

[Mr. Murdock.]

About 4.30 p.m. on the afternoon of June 19 the Minister of Labour was called by long distance phone from Toronto by Mr. J. E. Archer, who advised that he had resigned his position as secretary of the Postal Workers' Federation, and that he was returning at once to Hamilton to insist that the postal workers at that point should return to duty and permit the government to carry out the understanding and proposals that had been made in letter of the previous day which had been addressed to him as Secretary of the Postal Workers Federation, the result being that shortly thereafter Hamilton postal workers returned to duty, although during the time they had been out on strike some 130 men had been employed in the postal service.

Before the postal workers committee left Ottawa they had been advised by the Acting Postmaster General that as they had earnestly endeavoured to set back the strike for 24 hours it would not be held that the strike was in effect until the committee definitely advised him that such was the case.

Late on the evening of June 19 advice was received from Mr. G. R. Jackson, President of the Postal Workers Federation that a strike of postal employees had been authorized and made effective as of 5 p.m. on the 19th, although as a matter of fact the strike had been effective in Toronto and at some other points for 24 hours prior to that time.

Efforts at conciliation then ceased, as it became then a question of determining whether the government or striking postal employees were in charge of the mail facilities.

SICK MARINERS' DUES

Mr. STEVENS:

1. What amount of money was received last year from sick mariners' dues?

2. What is the total amount of money received at the port of Vancouver?

3. What is the total amount of money received in Canada from this source?

4. What is the total amount of money received from this source since 1870?

5. What was the total expenditure for last year at the port of Vancouver?

6. What was the total expenditure for last year in the whole of Canada?

7. What is the total expenditure since the year 1870?

8. Are receipts from this kept in separate account; if so, what amount remains to the credit of the account at the present time?

9. How many hospitals are maintained by the government and where are they located?

10. What was the cost of operation of each hospital during the last year?

11. Does the United States government levy a tax of six cents per ton on all vessels arriving from Canada, or from points in Canada where two cent sick mariners' due is charged?

Hon. Mr. BELAND:

1. $172,319.15 received during fiscal year ended March 31, 1924.
2. $37,211.50.
3. $172,319.15.
4. $3,206,190.83 received during the fiscal years 1869-70 to 1923-24, inclusive.
5. $15,791.
6. $109,793.02. In addition to this, accounts received prior to March 31, 1924, and paid from the appropriation for 1924-25 totalled $9,095.30.
7. The expenditure for treatment of sailors from 1869-70 to 1923-24, inclusive, totalled $2,988,850.26. This amount does not include anything for the cost of administering the act at Ottawa or anything for salaries for the collectors of customs who collect the sick mariners' dues in addition to their other duties.
8. The receipts are deposited to the consolidated revenue fund and the expenditure is paid out of the moneys parliament appropriates for this purpose.
9. Two: Sydney, N.S., and Lunenburg, N.S.
10. Sydney, $7,716.37. Lunenburg, $3,418.54.
11. No information.

QUESTION PASSED AS ORDER FOR RETURN

PAYMENTS FOR HARBOUR IMPROVEMENTS

Mr. KENNEDY (West Edmonton):

1. What is the total amount paid by the Dominion government for harbour improvements at each of the following ports: Halifax, St, John, Quebec, Montreal, Fort William, Port Arthur, Vancouver, Prince Rupert, Fort Nelson (a) by way of loan; (b) otherwise?
2. What is the total amount paid by the Dominion government since confederation for all other harbour improvements, such as wharfs, piers, breakwaters, jetties, dredging or other harbour and river improvements in each of the nine provinces; and (a) what percentage of the work done is estimated as permanent; (b) what percentage must be renewed annually; (c) what percentage must be renewed every five years; (d) what percentage must be renewed every ten years?

AGREEMENT WITH THE CITY OF OTTAWA

Hon. J. H. KING (Minister of Public Works) moved that the House go into committee at the next sitting to consider the following proposed resolution.

Resolved, That is it expedient to provide that the Minister of Public Works may, on behalf of His Majesty, enter into an agreement with the corporation of the city of Ottawa, extending for a period of one year from the first day of July, 1924, the provisions of the agreement between His Majesty and the said corporation dated 30th March, 1920, and set out in the schedule to chapter 15 of the statutes of 1920.

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

Motion agreed to.

DEPARTMENT OF CUSTOMS AND EXCISE ACT AMENDMENT

Hon. JACQUES RUREAU (Minister of Customs and Excise) 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 Department of Customs and Excise Act and to place the administration of the Business Profits War Tax Act, 1916, and amendments, and the Income War Tax Act, 1917, and amendments, under the Department of Customs and Excise, and to provide for the constitution of an advisory board to investigate and study various modes of taxation with a view to simplifying and improving the existing systems.

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

Motion agreed to.

CONTRACT FOR STEEL RAILS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): I would ask whether, as reported, the government has awarded a contract for steel rails to the British Empire Steel Corporation and if so, especially in view of the conditions of unemployment that prevail, an arrangement has been made for that company to adopt the eight hour day on such contract?

Hon. GEORGE P. GRAHAM (Minister of Railways): The government has no knowledge of the letting of any contract to the British Empire Steel Corporation. It may be that the management of the Canadian National Railways has let such a contract, but if so I have no information concerning it.

GRAIN INQUIRY COMMISSION

On the Orders of the Day:

Mr. ROBERT GARDINER (Medicine Hat): When may we expect the report of the Royal Grain Commission? And is it the purpose of the government to go on with the resolution standing in the name of the Minister of Marine and Fisheries with reference to the loan of money to the Vancouver Harbour Board before that report is received?

Hon. GEORGE P. GRAHAM (Minister of Railways): I will make inquiry and ascertain when the report is likely to be brought down. I should imagine it will be a few days anyway.

BUSINESS PROFITS WAR TAX ACT, 1916

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to provide, that the Business Profits War Tax Act, 1916, and amendments, shall be construed and have effect and be deemed to have had effect since its enactment without lapse or interruption as if section twenty-six thereof when first enacted had provided as follows:—

"The provisions of section three of this act shall not continue in force after the thirty-first day of December, one thousand nine hundred and twenty; and anything enacted inconsistent therewith shall be deemed to have been superseded, amended or repealed, as the circumstances may require, and all taxes, interest and penalties payable under the said act and amendments shall remain a tax owing to His Majesty until fully paid and satisfied.

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

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 219, respecting the Business Profits War Tax Act, 1916.

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

Mr. ROBB: I move that the bill be read the third time.

Mr. GARDINER: I have no objection to this particular bill receiving the third reading now, but I would respectfully remind the government that it is not desirable to carry the third readings of bills that have not been printed. We have had an experience of this in past years towards the end of the session, and the plan is not a wise one.

Mr. ROBB: If my hon. friend would rather not proceed—

Mr. GARDINER: I have no objection to this particular bill being read the third time.

Motion agreed to and bill read the third time and passed.

REFUNDING LOAN $300,000,000

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 217, to authorize the raising, by way of loan, of certain sums of money for the public service.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

On motion of Mr. Graham the House adjourned at 12.05 a.m. (Thursday).

[Mr. Graham.]

Thursday, July 3, 1924.

The House met at three o'clock.

SELECT STANDING COMMITTEES

NATIONAL RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo) presented the fourth report of the select standing committee to which was referred for consideration and for report to the House the estimates of the Canadian National Railways and Canadian Government Merchant Marine, recommending that item No. 138 of the estimates, providing an amount of $900,000 by way of loan to the Canadian Government Merchant Marine, be passed by the House, and also making certain recommendations with regard to the following services of the Canadian Government Merchant Marine: the Atlantic service; the Pacific service; the Atlantic-Pacific service, via Panama; the Great Lakes service.

OFFICIAL REPORT OF DEBATES

Mr. G. H. BOIVIN (Shefford): Mr. Speaker, the select standing committee to supervise the Official Report of Debates beg leave to present the following as their second report:

Your committee recommend that for the balance of the present session of parliament and for all subsequent session until otherwise ordered by the House, an additional copy of the Votes and Proceedings be supplied to every member, said copy to be distributed daily when issued through the post office of the House of Commons.

The whole respectfully submitted.

GEO. H. BOIVIN,
Chairman.

If I may have the unanimous consent of the House I beg to move that the second report of the committee to supervise the Official Report of Debates, presented to the House this day, be now concurred in.

Mr. SPEAKER: Has the hon. member unanimous consent?

Motion agreed to.

MISCELLANEOUS PRIVATE BILLS

Mr. H. B. McGIVERIN (Ottawa) presented the seventh report of the select standing committee on Miscellaneous Private Bills.

REPORT

Fifteenth annual report of the Civil Service Commission of Canada.—Hon. Mr. Copp.

PRIVATE BILL

FIRST READING

Bill No. 218 (from the Senate), to change the name of La Banque d'Hochelaga to "Banque Canadienne Nationale".—Mr. Mercier.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ADMINISTRATOR OF MANITOBA

Right Hon. Mr. MEIGHEN:

1. Who has been appointed Administrator of the province of Manitoba for the period of the absence of the Lieutenant-Governor?
2. On whose recommendations?
3. Is the appointee the Chief Justice of the province and if not, why was the Chief Justice passed over?

Hon. Mr. COPP:

1. Hon. Thomas G. Mathers, Chief Justice of King's Bench Division.
2. The hon. Solicitor General.
3. There was no intention of nor reason for passing over the Chief Justice of Manitoba in making the appointment.

LAMBTON AND KENT—OIL

Sir HENRY DRAYTON:

1. Has the Geological branch of the Mines Department, or any other department, conducted an investigation as to the conditions of the oil industry in the counties of Lambton and Kent?
2. Has a report been made by Dr. Hume dealing with the said oil industry or in an way relating to the production of crude petroleum in Ontario?

Hon. Mr. STEWART (Argenteuil): I have been waiting to give an oral statement with respect to this question. Dr. Hume visited the oil fields, but not for the purpose of making geological investigations. We have a private letter from him written to the deputy minister, and there will be a report from Dr. Hume upon this oil field this year. He has instructions to make such a report.

Sir HENRY DRAYTON: Do I understand that it is merely a private letter?

Mr. STEWART (Argenteuil): Yes.

Sir HENRY DRAYTON: How can it be private about public business?

Mr. STEWART (Argenteuil): The letter is of a private character. It was not intended to be used by the department or anyone else.

Sir HENRY DRAYTON: Probably that is more nearly correct.

WATERHEN LAKE DRAINAGE SCHEME

Mr. KNOX:

1. What is the total cost to date of the Waterhen Lake Drainage scheme?
2. How much of this amount is attributable to engineers' salaries and expenses?
3. How many acres were reclaimed irrespective of previous existing hay lands?
4. How much of this land is now leased, and to whom?
5. What is the annual rental and for how long does the lease run?
6. Does the government intend to make any further expenditure on this project? If so, for what purpose?
7. At whose request was the work undertaken?
8. How is the land to be disposed of when the present lease expires?

Hon. Mr. STEWART (Argenteuil):

1. $179,410.21.
2. $12,248.17.
3. 13,881 acres.
4. Names and acreage are as follows: Messrs. Balcovske and Wadlinger, 5,270; J. Guillet, 105; R. Peterson, 142; E. M. Pearce, 93; W. Skene, 148; L. Barbey, 30; M. Welsh, 55. Total 5,843 acres.
5. To avoid the expense that would be entailed in conducting comprehensive experiments extending over a number of years to ascertain and establish the agricultural suitability of the reclaimed land, the department decided to lease portions of the dewatered areas to the above named, who have undertaken to carry out all the necessary research work without expense to the department. These lessees pay the usual lease rental rate of two cents per acre. The lease of Messrs. Balcovske and Wadlinger runs for ten years, and the other leases for five years.
6. The only further expenditure to be made is for the purchase of the land required for the right of way of the drainage canal over private land. The amount involved will approximate $2,000.
7. In the working out of the Soldier Settlement scheme, it became apparent that there was a shortage of free land suitable for homesteading within reasonable distance of transportation facilities. It having been brought to the attention of the administration that the Waterhen Lakes Drainage scheme offered exceptional advantages for demonstrating the feasibility of reclaiming Dominion land by drainage and especially in view of the fact that the project is situated only a very short distance from the railway, the department decided to proceed with the project under the provisions of the Reclamation Act and the Dominion Drainage Regulations.
8. By public auction in accordance with the provisions of part IV of the Dominion Drainage regulations.

VANCOUVER HARBOUR COMMISSION

Mr. SPEAKMAN:

1. Is the Vancouver Harbour Commission empowered by act of parliament to issue bonds or debentures to persons other than the Dominion government?
2. If so, when was this act passed?
3. Have bonds or debentures issued to the public priority as to payment of interest or principal over those held by the Dominion government?

4. If bonds or debentures have been issued by the Harbour Commission to the public, through what bond house, or houses, were such sales made?
5. Were tenders invited in connection with each issue?
6. What is the total amount of such issue offered for sale?
7. What amount, if any, of such issue has been actually sold?
8. What price was received?
9. For what term do such issues run?
10. What rate of interest do they carry?

Hon. Mr. CARDIN:

1. Yes.
2. 1913; 3-4 George V., chapter 54.
3. No.

4 to 10 inclusive. All outstanding bonds or debentures issued by the Vancouver Harbour Commissioners are held by Dominion government as security for advances on loan made in pursuance of the various statutes in that behalf.

PAYMENT TO THE TORONTO GLOBE

Mr. CHAPLIN:

What amount was paid by the Department of Trade and Commerce to the Globe Newspaper Company of Toronto for a full page advertisement that appeared in that paper during the month of December, 1923, or the month of January, 1924?

Right Hon. Mr. MACKENZIE KING (for Mr. LOW):

Advertising, $488; reprints, $15.90; total, $503.90.

DATE OF PARLIAMENT ASSEMBLING

Hon. Mr. BAXTER:

1. In the opinion of the government, is it possible and desirable for parliament to assemble in the future early in January, preferably on a permanent date?
2. Is it the intention of the government to endeavour to approximate a fixed date for the assembling of parliament?

Right Hon. Mr. MACKENZIE KING:

1. The date of the assembling of parliament is necessarily contingent upon many circumstances none of which can be foreseen; the fixing of a permanent date for assembling is therefore inadvisable. The government is, however, of the opinion that it is desirable, circumstances permitting, for parliament to assemble as early in the year as may be possible.

2. Answered by the answer to No. 1.

QUESTION PASSED AS ORDER FOR RETURN

SALES TAX REBATES

Sir HENRY DRAYTON:

1. To what amount have rebates of Sales Taxes been claimed under the legislation of last year?
2. How many claims have been made?
3. How many claims have been checked and paid and resulting in what total amount?
4. How many claims have yet to be dealt with?

[Mr. Speakman.]

PULPWOOD COMMISSION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I have been waiting for many weeks to see what was going to transpire in connection with this famous Pulpwood Commission. I have had many put-offs from the Acting Minister of Finance (Mr. Robb). Can he not give some definite statement to-day; I do not mean in the style of "in a few days," or "a few weeks," or "very soon,"; but can the minister not state when we may expect the report of this commission? We hope we are nearing the end of the session, and the minister knows the circumstances under which the commission was appointed.

Hon. J. A. ROBB (Acting Minister of Finance) I have been hoping for some time to receive the report from the Pulpwood Commission. I understand they are working at it but it has not been brought to me yet. I will direct the attention of the commission to the fact that its early submission is urgent.

WEST HASTINGS BY-ELECTION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The definiteness is not improving any. May I ask the government also, in view of the terms of the letter of the late hon. member for West Hastings, Mr. Porter, whether they purpose issuing the writ for the by-election as requested in that letter, and if not why it cannot be done?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government purposes issuing the writ for a by-election and will determine the date later on.

Mr. MEIGHEN: May I ask why the writ cannot be issued now in view of the purpose for which the election is being held? The circumstances demand an immediate election.

Mr. MACKENZIE KING: There is no necessity for that. The member could not possibly be returned for this session of parliament.

Mr. MEIGHEN: That may be.

Mr. MACKENZIE KING: I think the law provides that the writ must be issued within six months. With all due respect to my right hon. friend no one takes very seriously the purpose of the hon. member who has resigned.

Mr. MEIGHEN: There was a time when the Prime Minister, in another post, took very seriously appeals to the people against the conduct of parliament.

LIQUOR AND NARCOTICS

On the Orders of the Day:

Mr. T. W. CALDWELL (Victoria and Carleton): Are we to understand that the resolution on the order paper in the name of the Prime Minister in reference to the treaty with the United States against smuggling operations along the international boundary is being dropped, and if so why?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The United States Senate has not, as yet, ratified this treaty, and it is hardly probable they will consider the matter until next year. Under the circumstances the chances are that this parliament will have ample opportunity of dealing with the question at another session.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The Prime Minister knows the United States Senate could not ratify it. After the minister went down only a few more hours of the session of congress remained.

Mr. MACKENZIE KING: They will deal with it at the next session of congress.

CIVIL SERVICE SUPERANNUATION

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee on Bill No. 122, to provide for the superannuation of civil servants.

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

On clause 1—short title.

Mr. JAMES MALCOLM (North Bruce): This bill is based on a recommendation contained in the report of the special committee appointed for the purpose of inquiring into the operation of Chapter 12, 8-9 Geo. V; an Act respecting the Civil Service of Canada which report was presented to the House on June 22nd, 1923. The committee's recommendation regarding superannuation is as follows:—"The general principles on which modern superannuation schemes are based appear to be fairly definitely agreed upon. The basis most favoured is that under which both the employees and the employer contribute to the support of the scheme, the entire cost as a rule being borne approximately equally by both. The benefits derived or provided for include allowances on retirement after attainment of a stipulated age; allowances to widows and minor children in the event of the death of the employee during service or after retirement, the widow's allowance being usually one-half of the employee's allowance; and allowances to the employees on retirement from disability regardless of age. There is also usually provision made for the return of the employee's contributions without interest in the event of his voluntary retirement after a minimum period of service had been rendered.

Your committee is of the opinion that the adoption of a superannuation scheme substantially on the lines of that above described would remove one of the greatest deterrents to efficiency and curtailment of staffs in many of the departments of the public service and it therefore commends that such a scheme be adopted by parliament at the earliest possible date."

On account of the short time remaining before the end of the session after the presentation of this report it was impossible last session to give effect by legislation to this recommendation but it was announced by the Prime Minister that a bill embodying the committee's recommendation on this point would be presented at the present session. This bill is the fulfilment of the Prime Minister's promise.

It is desirable to outline at this stage the present situation respecting superannuation.

The original Superannuation Act was passed in 1870. This act provided for contributions at the rate of 4 per cent of salaries and for superannuation benefits of one-fiftieth of the average salary for the last three years of service, not exceeding, however, thirty-five-fiftieths. In 1873 the rate of contribution was reduced to 2 per cent, the benefits remaining the same. This act contained, among other provisions, a provision by which, in the case of persons who joined the civil service after a certain age, at first forty, but later changed to thirty, an addition of a maximun of ten years might be added to the period of actual service for the purpose of computing the superannuation allowance, and it was not long before charges were made in the House of Commons that this provision was being abused and that the allowances of retired officers were being unduly increased by this abuse.

In 1893 the basis of contribution was again changed to 3½ per cent and a new fund, Superannuation Fund No. 2 was created to be composed of the contributions at the new rate by new entrants to the service. From that date onwards therefore we have the two funds, Superannuation Fund No. 1 and Superannuation Fund No. 2, the former fund embracing all permanent civil servants appointed prior to April 1, 1893 and the latter fund, all permanent civil servants appointed thereafter.

In 1898 both funds were closed to new entrants, the principle of superannuation was abolished so far as new entrants were con-

cerned, and there was substituted by the act of that year the Retirement Fund, composed of contributions from future entrants to the service of 5 per cent of their salaries, to which contributions the government added interest at the rate of 4 per cent per annum. According to the Public Accounts as at March 31, 1923, the number of contributors to the various funds were as follows: Superannuation Fund No. 1, 614; Superannuation Fund No. 2, 189; Retirement Fund, 19,953.

The Superannuation Fund provides a retiring allowance for the contributor on his reaching old age or becoming disabled. It provides no allowance for his dependents on death whether before or after retirement. It provides no allowance on voluntary retirement from the service. The Retirement Fund is inadequate because no addition to the contributor's contributions is made by the government and the amount in the fund to the credit of any contributor is inadequate as a provision for retiring allowance. It is also to be noted that the benefit under the Retirement Act is the payment of a lump sum, there being no provision for an annual allowance. At the present time, as a result of the operation of the superannuation funds, men are dying in the service after having served 30, 35 and 40 years and about to be granted superannuation. These men, on their death in many cases, leave widows in a practically destitute condition. Men who have retired and who have drawn their superannuation allowance for a few years die leaving no benefit whatever to their widows. It is this latter contingency which men most fear, and the result is that they remain in the service for the sake of the larger income they receive as employees as compared with their allowance as annuitants.

The ideal superannuation scheme is one based on the principles set forth in the committee's recommendation and these the present bill provides.

The present bill contains the following provisions:

1. The bill will apply to whole-time permanent civil servants receiving an annual salary of $600 or over.

2. The rate of contribution is 5 per cent of the salaries, limited to the first 35 years of service.

3. The superannuation age is 65 optional and 70 compulsory, with a modification applicable for the next ten years to persons now 60 years and over.

4. The superannuation allowance, assuming at least ten years' service, is one-fiftieth of the average salary for the last ten years multiplied by the number of years of service, not exceeding 35. This applies to new appointees. The committee recommends that a change be made in this provision as regards those already in the service, reducing the time from ten to five years.

5. The retiring allowance available after ten years' service on disability or retirement from abolition of office is computed on the same basis as the superannuation allowance.

6. The withdrawal allowance available after ten years' service on voluntary retirement is the total amount of contributions without interest.

7. The widow's allowance is one-half the allowance the contributor received or would have received if superannuation at the time of death.

8. The children's allowance is 10 per cent of the contributor's allowance payable to each child until age 18, the total children's allowance not to exceed 25 per cent of the contributor's allowance if the widow survives. If the widow does not survive each child's allowance is 20 per cent, the total children's allowance not to exceed 50 per cent of the contributor's allowance.

9. In the event of disability or abolition of office before ten years' service has been rendered, a gratuity of one month's pay for each year of service may be granted, and, in the event of retirement on marriage being required, a gratuity of the contributor's contributions without interest. In the event of death in the service before ten years' service has been rendered a gratuity equal to the disability gratuity is payable to the widow and children.

10. In the event of dismissal from the service at any time the contributor's contributions may, in the discretion of the Governor in Council, be returned without interest.

The foregoing applies primarily to persons hereafter entering the service. Provision is made, however, for the optional transfer to the new scheme of permanent employees now in the service.

11. Persons now under the Retirement Fund having contributed thereto for their whole period of service may, at their option elect to come under the new act, and on such election the amount now standing to their credit in the Retirement Fund is transferred and they will become entitled to all the benefits of the new act to the same extent as if it had been in force from the date of their entry to the service. If they have not contributed for the full period of service the non-contributing period will be counted to the extent of one-half in computing all the benefits but such period may be counted in full on payment of arrears of contributions without interest.

12. Persons now on the Superannuation Fund may, at their option, elect to come under the new act, and on such election contributions, if any, will be thereafter at the rate of 5 per cent and the period for which contributions have been made to Superannuation Fund No. 1 or No. 2 will be counted in full in computing the contributor's superannuation and retiring allowances but only to the extent of one-half in computing widow's and children's allowances. Such period may be counted in full for the latter allowances on payment of the arrears of the difference between the rate actually contributed and 5 per cent. The period of service, if any, in respect of which contributions have not been made to the Superannuation Funds will be counted only to the extent of one-half in computing all allowances, but may be counted in full on payment of arrears of contributions at the rate of 5 per cent without interest.

13. Permanent civil servants who have never contributed to either the Retirement Fund or the Superannuation Fund may, at their option, elect to come under the new act and on such election they shall thereafter contribute at the rate of 5 per cent and their period of service shall be counted for all allowances to the extent of one-half, but may be counted in full on payment of arrears of contribution at 5 per cent without interest.

14. In all cases arrears of contributions may be paid in one sum or in equivalent instalments as may be prescribed by regulation.

It is believed that the cost of the benefits proposed by the bill will be equally borne by the contributor and the government; that is, that the government's share of the cost will be 5 per cent of the salaries. There will be in addition an initial liability created in respect of the past service of persons now in the service who elect to come under the provisions of the act. The amount of this liability will depend upon the numbers transferring, their length of service and their dependents. On being ascertained, the amount of this initial liability can be extinguished by an annual charge extending over the probable period of service remaining to those contributors.

That amount can be spread over a period of 25 or 30 years. In the case of the British Local government scheme it extends over 40 years.

The committee which dealt with this matter was somewhat unfortunate in not being able to have the assistance of all of its members, so many other committees were meeting at the same time, and we never had a full meeting of the committee to discuss the question. After reviewing all the evidence submitted by civil servants, by the deputy ministers, and the Civil Service Commission, who assisted the committee in obtaining information in regard to the matter, the committee came to the conclusion that the payments to be made to civil servants under this bill were as great and as fair as could possibly be made with the amount of money provided by the government and by the civil servants themselves. In other words, it was the desire of the committee that this bill should be framed on a strictly actuarial basis, and hon. members will observe that there is a provision in the bill for actual bringing down to the House a memorandum of the amount paid by the civil servants and of the cost to the government, so that if it be found that the bill will not work out on an actuarial basis, the House will have the full information early each session that the bill is not working out as contemplated, and steps may be taken to rectify, either the allowances to be paid to the civil servants, or the contributions to be paid by the civil servants to the fund. There is a feature in the bill which does not seem to meet with the approval of all the civil servants; that is the provision that they will have to serve ten years' time before they can get their money back. The feeling of the committee last year, and the feeling of the committee this year, was that if the bill had any virtue, it was in the fact that it would stabilize the service, and would provide that those who remained in the service would be able to retire with some gratuity and would also make some provision for their dependent children. If we would consider the amount to be paid on retirement to those who remained for one or two years in the service, there would be nothing gained. It would leave it open for any employees who objected to this feature to deposit five per cent of his salary in a savings bank and withdraw it when he liked. This provision is for those who remain loyally in the service, and those who, at a stipulated age feel compelled to retire, and in the case of those people provision is made for their children.

Mr. E. R. E. CHEVRIER (Ottawa): In view of the remarks of the hon, gentleman (Mr. Malcolm) who so ably presided over the destiny of this bill in committee, I will deal with only one of the aspects of this case. It might not be amiss for me to review briefly the history of superannuation. Superannuation was initiated here in 1870 by Sir Francis Hincks. That legislation was carried down until 1898. In the meantime superannuation was carried on with

contributions made by civil servants at the rate of 2 per cent. That system lasted until 1893, when the government found that the method adopted would not be actuarially sound. The rate of contribution was then increased to 3½ per cent. In 1898 the Superannuation Act was closed to new entrants. Nevertheless, when the measure was introduced doing away with the Superannuation Act, there was a feeling that there should be some measure passed providing for superannuation for civil servants. The then Postmaster General, Sir William Mulock, introduced the bill to abolish the superannuation system as it then existed. It might not be out of place to quote here a few extracts from the debate which took place on that occasion. Sir William Mulock—page 6335 of the Hansard of 1898—said:

> Some members may think no retiring fund is necessary and no provision whatever for the relief of civil servants who have ceased to be able to discharge their duties efficiently, but our experience has shown that it is necessary for governments to have some fund whereby they may, either by way of gratuity, pension or otherwise, be relieved of persons who have survived their usefulness, without being compelled to throw them adrift upon the unkind world with no means of support.

Sir William Mulock said also:

> So far as my experience goes in my department at least I can say without qualification, or with but very slight qualification, that a more efficient or worthy staff no member of the government could desire, and I believe that the same may extend to a large extent to the whole staff of Canada.

The measure introduced in 1898 to replace the superannuation system was called the Retirement Fund. It did away with the previous legislation under which contributors paid 2 per cent and then subsequently 3½ per cent. Under this Retirement Fund contributors paid 5 per cent, and when they retired from the service, they drew out whatever money they had paid in with interest accumulations. The committee will see at once that no features of superannuation attached to this scheme, and that it is in the interest of the government to have a measure of superannuation for the Civil Service of Canada, just as much as it in the interest of large corporations to have for their employees a measure of superannuation.

In 1920, the government of the day decided that certain measures of economy should be put into force; that reorganization and reclassification should take place. As a result of that, a large number of employees were to be turned out of employment. A scheme was then devised, a scheme for the moment, a scheme which it was never intended should last forever, a scheme that was called the Calder Act, the dispositions of which were very generous because it was calculated to last for a few months or, perhaps, a year at the utmost. Again to that scheme attached no feature of superannuation, and that is the act which is presently in force along with the Retirement Fund that has been in existence since 1898. The committee may say that there are two measures, one the Retirement Fund whereby civil servants pay 5 per cent and on leaving the service get back their money and, second, the Calder Act which is based upon length of service. To these two measures the superannuation feature does not attach. The Calder Act has proved a most expensive and onerous charge upon the finances of the country. It is imperative, necessary, essential, that a system of superannuation should be introduced into the civil service.

Mr. CARROLL: Is it not a fact that certain employees who were brought in before 1896 paid only two per cent into the fund?

Mr. CHEVRIER: Those who came in under the old act paid but two per cent. In 1893 the amount was increased to 3½ per cent; and in 1898 when the Retirement Fund was created, the amount was raised to 5 per cent, each one of the civil servants remaining in the category in which he or she had been placed at the start.

It might be wise to see if this measure meets with the approval of the people, and one might say that some of the newspapers that have commented upon this matter should be heard. The Ottawa Citizen said:

> It is unnecessary to point out that the enactment of an adequate superannuation measure is the first step towards a rehabilitated service. It is the basis on which all other forward-looking reforms must follow. Nor is it necessary to emphasize the advantages which a superannuation act will bring to the service as a whole.

The Ottawa Evening Journal has this to say:

> There should be little opposition in parliament to a just superannuation measure. The principle has been admitted for many years by both Liberals and Conservatives that systematic superannuation is advisable for the sake of efficiency and economy. It is, in truth, one of the most reasonable and unharmful roads to Civil Service reform.
>
> Lately the necessity has been more marked because of the unrest in the midst of many dismissals from the service and because there is such confusion of retiring measures, some employees coming under one, some under another, and many under none at all.

Again the Ottawa Citizen, whom my hon. friends immediately opposite will recognise, had this to say:

> There are special circumstances to justify a superannuation act. Apart from the economic necessity of proceeding with the reorganization, there is the re-

cognized fact that many capable civil servants work for less than they could earn in private employment, because there is supposed to be a better assurance of permanence in the civil service. The reasonable hope, too, of a pension has on numerous occasions deterred men from looking for more lucrative opportunities in private enterprises.

But even without the admitted fact that salaries are kept purposely lower, so that the government may not be charged with competing extravagantly against private enterprise for the best men, superannuation should be established on the broad principle of justice. In recent years, many large corporations, like the Canadian Pacific Railway, have introduced pension schemes. It is good business to keep down the percentage of changing personnel, as well as to eliminate the fear and worry of being thrown out of work without means of support in old age. Such humane measures as pensions are a sound investment in efficient service.

When the private corporations are setting the example, the government need have no fear of being taken to task for extravagance in bringing in a superannuation measure. It can be demonstrated that superannuation as a complementary measure to Civil Service reorganization, is not extravagance but economy.

Besides these—and this is the most interesting one—I should like to quote from the Financial Post of March 28, 1924, and I think I recognize in the Financial Post the twin sister of MacLean's Magazine:

"There should be no idea of turning out old servants who have played their part, without making provision for them. Any effective plan of re-organization should entail a superannuation arrangement for those who have served their time and also a promise for those in the service that they will be taken care of in their old age.

Of course it will mean a call upon the public funds to provide superannuation allowances, but it is the only fair way to take care of those who have served their time faithfully. And only by the elimination of the aged and the ineffectual can the service be put on an efficient basis.

A properly organized civil service will, we believe, provide as large or larger salaries for a smaller staff and take care of an adequate appropriation for a superannuation fund with a much smaller total outlay than that now being made with a large staff, a half-time schedule, and low efficiency. It is simply a case of organizing the government staff along the lines successfully employed by the banks and other big financial and industrial corporations."

Now, that I have shown the necessity of this Civil Service reform in the minds of the public, what do those who would benefit immediately by this measure have to say? The Civil Service Association was heard before the parliamentary committee in 1923, and I would just briefly state their reasons for asking for a superannuation measure:

1. It would stabilize and unify the service.
2. Keep the service clear of deadwood by retiring those rendered inefficient by age.
3. Promote efficiency by assuring every consistent worker of maintenance in old age should he survive, with due provision for dependents.
4. Automatically attract to the service, the right kind of people.
5. Maintain the "flow of promotion" which Sir George Murray, the British authority on Civil Service matters said was so important.
6. Facilitate the constant changes in every office, which are made necessary by constant changes in the work to be done.

The Civil Service Commission had no hesitation in expressing its views on the subject and in 1921 that commission made a report from which I quote these few lines:

It is not possible to give the total saving in salaries, nor is it possible to estimate the great benefit resulting to the work of the country as a whole. This opportunity may, however, be taken of directing attention to the great improvement in the morale of the Service necessarily resulting from the clearing of avenues to promotion, and the benefit to the administration of public affairs in granting to younger employees opportunities for the display of ability.

So much did the Civil Service Commission feel that this measure was imperative that in 1922 it came back again with another recommendation:

No system of classification or improved methods of administration will be operated satisfactorily in the Civil Service until a comprehensive measure of superannuation is in force. The advantages of superannuation in the public interest are apparent inasmuch as it relieves the government of the embarrassment and extravagance of retaining the services of officers who have outlived their usefulness; creates a proper flow of promotions; renders the service more mobile; deters efficient officers from leaving the public service for private employment where emoluments and opportunity may be greater; helps to attract a better class of applicants for positions in the service and in general tends to promote efficiency in every way.

I quote further from the report of 1923:

The administration of the Public Service Retirement Act has shown how necessary is a general superannuation scheme and it was with a feeling of gratification that the Public Service and those concerned in its administration heard the announcement of the Right Honourable the Prime Minister at the end of last session that a general superannuation bill would be introduced early in the next session. For years the Civil Service Commission has recommended that such action should be taken, and the service itself has been petitioning for a Superannuation Act. That it is good business is evidenced by the facts stated above.

Two striking facts in regard to this matter are that the country at large is apparently satisfied that the proposed bill is a good one, while the Civil Service Commission itself recommends it. No doubt it would be advantageous to the Civil Service, for the associations themselves have ardently asked for it, and so far as the public interest is concerned, the Civil Service Commission has made a very lengthy report as to the benefits that would accrue to the country in the savings which would be effected if a measure of this kind were enacted. I desire to put on record certain figures which possibly may be tedious. But after all a bill of this kind before it is adopted must be proved to be actuarially sound and also in the interests not only of the Civil Service itself but of the country at large as

well. And this can be demonstrated only by figures. Let me quote from the Commission's report of 1923:

A glance at those who have gone out under the Public Service Retirement Act will indicate the prevalence of this tendency. Of a total one thousand two hundred and eighty-nine (1289) retired, five hundred and fifteen (515) were seventy or over four hundred and seventy (470) were between sixty and seventy; and three hnudred and four (304) were under sixty years of age; and five hundred and ten (510) positions were abolished, being further conclusive evidence of the tendency. After three and a half years during which this Act has been in operation a survey of the service reveals the fact that at present there are one thousand three hundred and thirty-three (1333) employees in the Federal Service, exclusive of temporaries and part time workers who are of the age of sixty-five, or who will reach sixty-five on or before the 1st July, 1924, the date upon which the present act becomes inoperative. Of these, only one hundred and sixty nine (169) are contributors under part 1 of the Civil Service Superannuation and Retirement Act. Furthermore, approximately one thousand two hundred and sixty-three (1263) employees are sixty years of age and under sixty-five, and of these only one hundred and ninety-six (196) are contributors under part 1 of the Civil Service Superannuation and Retirement Act. Therefore, it appears that besides the three hundred and sixty-five (365) contributors who are sixty years of age and over and who could be superannuated under the old act there are now in the service two thousand two hundred and thirty-one (2231) employees who may be said to have reached or will reach in a few years superannuation age, whose only provision for retirement is the Public Service Retirement Act which expires on the 1st July, 1924.

During the first eighteen months of the operation of the act, after having provided for annuities to the amount of two hundred and twenty-eight thousand and twent-five dollars and eighteen cents ($228,025.18) a saving of one hundred and fifty thousand seven hundred and eight dollars and seventeen cents ($150,708.17) was effected through the abolition of two hundred and sixty-four (264) positions. At the end of the year one thousand nine hundred and twenty-two it was found that as a result of abolishing three hundred and ninety (390) positions two hundred and four thousand and forty-eight dollars and eighty cents ($204,048.80) was being saved annually in salaries, and again at the end of one thousand nine hundred and twenty-three, with the abolition of a total five hundred and ten (510) positions two hundred and ninety thousand one hundred and eight dollars and eighty-eight cents ($290,108.88) is being saved annually. This annual saving in the matter of salaries after meeting annuity obligations more than offsets the cash payments made of two hundred and sixty-two thousand one hundred and seven dollars and fifty-three cents ($262,107.53) in retiring gratuities so that actually the Public Service Retirement Act has cost the country nothing and its application has resulted in a saving not only of the two hundred and ninety thousand one hundred and eight dollars and eighty-eight cents ($290,108.88) annually as noted above—

Sir HENRY DRAYTON: Was that under the Calder Act?

Mr. CHEVRIER: Yes, this refers to the Calder Act which was then in operation.

—but also of the amount of the difference between salaries paid annuitants and salaries paid those appointed in their places, which it is not possible to estimate here.

[Mr. Chevrier.]

This may appear all right on the surface and possibly it would work satisfactorily for the purpose for which the act was intended. But I do not think it would be advisable to continue the Calder Act; a large number of civil servants, some 2,000 or more, would be eligible for retirement in a few years under that act and this would mean a tremendous drain on the finances of the country. The Calder Act was never intended to be permanent; it was never intended as a superannuation measure, but was purely and simply a matter of expediency for the relief of a temporary situation. It would not require much figuring to discover that the Calder Act was not placed upon any basis which might be said to be actuarially sound. Then, of course, notwithstanding the marked result that has been achieved under the act, the superannuation feature is not taken into account.

It may be said that the Calder Act is a very generous one; and so it is. But what is most essential to the stability of the Civil Service? What is required is superannuation for old age and not merely an

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arrangement whereby there is a compulsory deduction from salary of 5 per cent for say fifteen or twenty years and then the withdrawal of the accumulated savings. The idea is that a civil servant should be provided for in such a way that, while he might receive probably a smaller consideration immediately, he would enjoy the permanent benefit of superannuation. The Calder Act is very generous in the way of immediate cash payments but it does not provide for old age.

Now, having said this much; having pointed out that the general public apparently has no hesitation in endorsing this measure; and having shown that the Civil Service organizations for years have requested that something of this kind be passed in the better interests of the Civil Service, I do not think there is very much more that can be added. This bill has received the approval of the Civil Service Commission through its commissioner who appeared before the committee, and the government is satisfied that it is actuarially sound. And the Civil Service itself is satisfied with the provisions of the bill. The committee which was charged with the study of the bill has made a unanimous report. So that, to my mind, taking all these facts into consideration, there seems to be very little to be said against the bill.

In studying the superannuation scheme we have run across a number of anomalous situations. For example, let us take the case of

widows of contributors who paid to Fund No. 1 or to Fund No. 2—in the first case they pay 2 per cent and in the second 3½ per cent. In these cases, on the death of the contributor before retirement, the whole of the amount paid in during 20, 25, 30 or 35 years—35 years is the limit—is forfeited; his widow obtains nothing. If, however, he lived after the period of retirement the civil servant would receive a pension for the rest of his life. It has been brought to our attention that in certain cases—the exact number the committee could not ascertain—after having contributed 2 per cent or 3½ per cent for thirty or thirty-five years the contributor died after retiring and receiving from the fund two or three or six or eight months' pension. In that case the whole of the remainder of his contribution is gone, and it does not seem to be quite a humanitarian disposition of the matter, in such cases there would seem to be a moral claim on the government in respect to the contributions made. But the committee felt that this matter did not come within the purview of the present measure; they simply submit it to the generous consideration of the government.

Another class of employees that this bill cannot touch is the prevailing rate men. It has been found impossible, because of the fluctuations in wages, to extend the benefits of this act to those who are under prevailing rates. There are a large number of persons who have served the government faithfully for years but who on account of the change made a few years ago under the reclassification were placed under the prevailing rate system, and it does seem to be a hardship that they should not be entitled to superannuation. However, the committee could not see its way to make a recommendation in that respect, though they suggest that the government should take steps to inquire into it.

Another class of employees, rather a large class, is made up of former employees of the Printing Bureau who were retired under very special conditions which I shall not go into at this stage. But again these people are certainly entitled to some consideration. I take great pleasure in associating myself with the senior member for Ottawa (Mr. McGiverin) in supporting the report which has been presented, and trust that it will meet with the favourable consideration of the committee.

Sir HENRY DRAYTON: The general policy of retiring allowances and annuities has for a long time been recognized as sound, and it still remains the policy that ought to be followed wherever possible. It is a policy which, I think, the House as a whole is committed to. Unfortunately the Liberal government of an earlier day thought differently and cancelled the measure of superannuation then prevailing. A superannuation system which runs continuously and regularly, which commences with employment and which is operative when that employment ceases, is something which is fairly simple and fairly economical. The only question that arises to day is this: The country having been deprived of the superannuation system—the government on the one hand having been deprived of the revenue for the purpose, and the service on the other hand having been deprived of the benefits of superannuation—just what does it mean to start it up again? Speaking from recollection, I think we have three schemes at present. There was the very old superannuation system which applied to civil servants of a certain date; there was another one, and I think there was a third. What are the balances to the credit of each of the schemes that have not been interfered with?—what is the cost of each scheme to the taxpayers?—and what have been the benefits to the employees?

Mr. ROBB: The present retirement fund amounts to approximately $12,000,000, and that is the estimated initial liability of the government if all on that fund transfer. The annual apportionment over thirty years to extinguish this amount, at 4 per cent, would be $680,000 a year. The annual salaries of contributors to the retirement fund amount to $28,000,000; 5 per cent thereof, being the government's annual contribution, $1,400,000, and the total cost on the basis of present salary would be $2,080,000 annually.

Sir HENRY DRAYTON: Is that the government cost or the employee's cost?

Mr. ROBB: That will be the annual cost to the government if all transfer. Of course if they do not all transfer, it will be 5 per cent on the basis of the salaries of those who do.

Sir HENRY DRAYTON: Will the minister tell the committee just what is the state of the funds relating to the systems now in effect?

Mr. ROBB: I will put on record the facts with respect to present superannuation and retirement funds. Superannuation Fund No. 1 was created in 1870 and closed to new entrants in 1893. The rate of contribution is 2 per cent of salary, and the rate of benefit one-fiftieth of the average of the last three years' salary for each year of service up to thirty-five years; retirement age optional at 60; no age fixed for compulsory retirement.

The number of employees in the fund on March 31, 1923, was 614, and the annual salaries amounted to $1,443,668. In 1922 there were 625 in the fund; in 1921, 579; in 1920, 663.

Sir HENRY DRAYTON: How could the number be increasing when no one could join after 1893? I do not think that can be correct.

Mr. ROBB: There must be an omission; these are taken from the public accounts. Superannuation fund No. 2 was created in 1893.

Sir HENRY DRAYTON: We have got the amount of the salaries. What was the annual contribution by the employees to the fund? And what was the annual cost of administering the fund?

Mr. ROBB: There was no separate account kept of No. 1 funds, but I can give my hon. friend the figures for No. 2 funds.

Sir HENRY DRAYTON: Is it a fact that we cannot tell from the experience we have had just what these funds have been costing us?

Mr. ROBB: Not as regards Fund No. 1, without a detailed investigation. We have it for Fund No. 2.

Sir HENRY DRAYTON: I would have thought it would have been perfectly simple, knowing as we do what the salaries are from year to year, to compute 2 per cent on those salaries, on the one hand, and on the other hand, to keep track of the payments we have been making. We would then at least know what we are doing.

Mr. ROBB: I think my hon. friend is right about that.

Sir HENRY DRAYTON: The information must be available.

Mr. ROBB: I will give my hon. friend the data about Fund No. 2, which is separate. This was created in 1893, closed to new entrants in 1898; rate of contribution 3½ per cent of salary; rate of benefit the same as under Fund No. 1, that is, one-fiftieth of the average salary for the last three years; retirement age the same as for Fund No. 1; number of employees in the fund and annual salaries on March 31, 1923, 189, and $416,980 respectively. The amount of the fund on March 31, 1923, was $1,445,576, and the income of the fund $194,953, including a transfer from consolidated revenue. Payments from that fund in 1922-1923 amounted to $36,326.87; total amount transferred from consolidated revenue up to date, $750,200.

[Mr. Robb.]

Sir HENRY DRAYTON: My hon. friend has given me the total amount paid from consolidated fund, but he has not given me the total amount of payments out of the consolidated revenue fund for annuities.

Mr. ROBB: Payments for 1922-1923 amounted to $36,326.87.

Sir HENRY DRAYTON: But that is for one year. Then he gives me the total contribution from the country, which is $750,200. We have no basis of comparison there. In the one instance my hon. friend uses the year, and in the other instance he gives the total. In order to judge the situation, we have to have both either in years or in totals.

Mr. MALCOLM: Superannuation Fund No. 1 never had any contributions from the Consolidated Revenue Fund, but Superannuation Fund No. 2 has received a payment of $750,200 to put it on an actuarial basis.

Sir HENRY DRAYTON: To start with?

Mr. MALCOLM: No, the fund was started with provision that it should be on an actuarial basis and contributions were made to maintain the fund.

Sir HENRY DRAYTON: What was the annual contribution asked for?

Mr. MALCOLM: No annual contribution was made to Superannuation Fund No. 1, or to No. 2 either.

Sir HENRY DRAYTON: Then how was the $750,200 paid?

Mr. MALCOLM: That is made up of payments from time to time to put the fund on a sound actuarial basis.

Sir HENRY DRAYTON: To make it self-supporting?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: I think it would be interesting to know what the annual charges were.

Mr. MALCOLM: In 1922-23, $100,000 was transferred.

Sir HENRY DRAYTON: How does that compare with other years?

Mr. MALCOLM: That was the largest year of all.

Sir HENRY DRAYTON: I wonder if we can find out why the cost went up that year?

Mr. MALCOLM: It would be affected by reclassification and increases in salary.

Sir HENRY DRAYTON: Perhaps the chairman of the committee can tell us what the underlying basis was in connection with Fund No. 2. Was it that the government were to maintain that fund on an actuarial basis, and if on an actuarial basis, what were the considerations that went to arriving at that actuarial basis—in other words, as to the rights of civil servants to retire, and the like? What rights did the employees have that they could enforce? The actuarial basis is arrived at in view of certain factors; what were they?

Mr. MALCOLM: Section 18 of the Civil Service Superannuation and Retirement Act, chapter 17, of the Revised Statutes of 1906, provides:

"A deduction shall be made from the salary of every person appointed to the Civil Service on or after the first day of April, one thousand eight hundred and ninety-three, at the rate of three and one-half per centum per annum on such salary, if it is six hundred dollars or upwards, and of three per centum per annum thereon if it is less than six hundred dollars, and such deductions shall be carried to the credit of a fund called the Civil Service Superannuation Fund, number two, to which shall be added by the government annually such a sum as, upon an estimate or valuation thereof based upon the H.M. Mortality Table of the Institute of Actuaries of Great Britain and a rate of interest of six per centum per annum, may be sufficient to make the amount thereof equal to the value of the prospective annuities payable therefrom.

Sir HENRY DRAYTON: I suppose the factor taken into consideration was the matter of the age, sixty years. Was retirement compulsory at sixty years? I did not think so.

Mr. ROBB: No.

Sir HENRY DRAYTON: When was it compulsory, or was it compulsory at any time?

Mr. MALCOLM: Not under that act.

Mr. ROBB: There was no limit.

Sir HENRY DRAYTON: If there was no limit we would have to take an arbitrary age, and not sixty years. What age was taken for the purpose of arriving at an actuarial basis?

Mr. MALCOLM: I cannot answer that question.

Sir HENRY DRAYTON: It is important to see how it worked out; in other words, we do not know what we are doing unless we have that age.

Mr. MALCOLM: There is no doubt the average age would be taken as around sixty-five.

Sir HENRY DRAYTON: That sounds like a guess.

Mr. MALCOLM: It is the natural age to judge by, being the average age of retirement of most employees.

Sir HENRY DRAYTON: Of course, we can get it by working back. The actuary has his results, and his results show a specific sum as necessary for the purposes of his calculation. Having that result, and knowing the number of employees covered, it is merely a matter of working back to see what was the age that was adopted for the purposes of the original calculation. We could get that information.

Mr. CHEVRIER: I think I can safely say that from the act of 1870 down to the present the average retiring age has been about 65. I cannot put my finger on the particular section of the act of 1870 at the moment, but my recollection is the age was 65, and has been ever since.

Sir HENRY DRAYTON: Taking it at 65 under that act, how many employees have we been able to retire, and at what cost to the country?

Mr. ROBB: The cost is $750,000, plus the interest on that amount.

Sir HENRY DRAYTON: I do not think it is fair to the service to put it that way. You see what is done there; that is a fund on hand to which the service have equitable rights. That fund has not been exhausted, by any manner of means, in connection with the retirement already made.

Mr. ROBB: That has been necessary to place the fund upon an actuarial basis.

Sir HENRY DRAYTON: That is quite true, and the fund is augmented from time to time for that purpose of maintaining it on an actuarial basis. For example in 1922-23 we apparently voted $101,000 in order to maintain the fund on such a basis. We are going on doing that, and as payments become due out of the fund there is a relation between payment and cost. It is perfectly true that that relationship is disturbed from time to time by the increase in the number of beneficiaries and with the increase you have to make further contributions to maintain your actuarial basis. But with that qualification it is also perfectly true that there is a ratio between cost and result. So that we should have some idea how much in the way of contributions has come from the service and how much has come from the country. That is what I want to get at.

Mr. ROBB: My hon. friend is right about that. We have not the accumulated figures of income and outgo here but they are all available in the public accounts as my hon. friend knows.

Sir HENRY DRAYTON: Yes but what I am trying to get at is what the costs really are to the nation. We may form an idea, by ascertaining what the costs have been in the past, as to what we are doing now. Unless we know what it costs to provide an annuity on a basis of 3½ per cent of salaries, it is rather hard to arrive at any definite conclusion as to costs.

Mr. CHEVRIER: Three and a half per cent is the rate in Superannuation Fund No. 2.

Sir HENRY DRAYTON: That is the one we are dealing with.

Mr. CHEVRIER: For the present we are not concerned with that—with all due deference to my hon. friend; we are concerned with the Superannuation Act, to see whether the fund we are now creating may be placed on a sound basis, and at what cost to the service and to the government respectively. As to fund number two that, I am afraid, is ancient history. That fund has cost the government $750,000; that is the amount the government had to put in. Now, as I understand it, and I think I am right, Superannuation Fund No. 1 was constituted wholly by the contributions of the civil servants at 2 per cent, but under the act which the hon. gentleman has just read the contribution was raised to 3½ per cent and this fund number two was established. According to the latest information I have there is in that fund at present about $1,100,000.

Sir HENRY DRAYTON: Actually $1,445,000.

Mr. CHEVRIER: That $1,445,000 is made up of two sums—contributions at 3½ per cent by civil servants and the further sum of $750,000 which the government transferred at various times and in various amounts. So that up to the present the cost to the government, in the case of this fund is the sum of $750,000, and the loss of interest from the time the payments were made.

Sir HENRY DRAYTON: My hon. friend may be right in his conclusion, but he is wrong in saying that my suggestion was not to the point. I was suggesting a method of finding out what the costs are. Instead of theory we have a practical illustration of how superannuation—however limited in its scope, altogether too limited—works out. Will the minister please follow these figures—and I shall like him to say whether they are right or not. We find that for the purpose of looking after 189 employees a cost of $750,000 has been entailed.

Mr. CHEVRIER: That 189 represents the number actually in now but a large number have been taken care of and have now disappeared.

Sir HENRY DRAYTON: What was the number of employees when we started Superannuation Fund No. 2?

Mr. CHEVRIER: It would be the number of civil servants that joined the first year.

Sir HENRY DRAYTON: Let us get the average number.

Mr. CHEVRIER: I should like to have that information myself. I suppose the number would be the number of civil servants that joined the new fund. I repeat that I do not see where we can get the information as to the number of those who went in the first year.

Sir HENRY DRAYTON: I simply mentioned the first year because my hon. friend said the figure of 189 was wrong, due to the fact that a lot of employees had been looked after.

Mr. CHEVRIER: I beg my hon. friend's pardon. The 189 as I understand it, is the number of employees now being looked after under Superannuation Fund No 2.

Sir HENRY DRAYTON: How many have been looked after in the past?

Mr. CHEVRIER: I do not happen to have that information.

Sir HENRY DRAYTON: If we had that figure it would show the usefulness of the scheme.

Mr. ROBB: I have no figures here of those who have come in from time to time or of those who have died.

Sir HENRY DRAYTON: We have a record of our cost under the scheme though?

Mr. ROBB: Yes we have that.

Sir HENRY DRAYTON: We know it has cost a total of $750,000.

Mr. ROBB: That is right. That was the cost to put it on an actuarial basis but part of that $750,000 is in the fund yet.

Sir HENRY DRAYTON: I pointed that out.

Mr. ROBB: That has placed it on an actuarial basis. For instance in the public accounts of 1923 my hon. friend will get the records of Superannuation Fund No. 2. He will find that the receipts for that year were $194,953.10 and the payments $36,326.87.

Sir HENRY DRAYTON: That might be a characteristic year. How were those payments earned?

Mr. ROBB: Those were retiring allowances. The $194,000 includes the $101,000 referred to a few minutes ago.

Sir HENRY DRAYTON: That is obvious. That would leave us with a net ordinary income of about $93,000. How much of that came from interest and how much from contributions from the staff?

Mr. ROBB: The contributions would be 3½ per cent of $416,980 or $14,000 and the interest 6 per cent on the mean fund or about $80,000. May I add that if all under this fund transfer to the other fund on the basis we are placing it on $93,000 would be the annual cost to the government.

Sir HENRY DRAYTON: The present scheme fixes a definite allowance from the government of 5 per cent of the salaries?

Mr. MALCOLM: No.

Sir HENRY DRAYTON: How much then?

Mr. MALCOLM: That is what it is estimated it will cost the government.

Sir HENRY DRAYTON: That is what I say, the government is to put up 5 per cent and the civil servants are to put up 5 per cent.

Mr. ROBB: Yes, that is estimated upon an actuarial basis.

Sir HENRY DRAYTON: What becomes of the credit which those which have entered into Superannuation Fund No. 2 now have?

Mr. MALCOLM: It either stays there, or they can transfer to the new scheme by paying up the difference over 2 per cent of 3½ per cent, to equalize the 5 per cent that they would have paid if they had been under the new fund from the beginning.

Sir HENRY DRAYTON: Is that fair to the civil servants? We are starting something new now. Anyone can come in, although he has paid nothing, by paying 5 per cent per annum? Or does the scheme of the act run back to the time of first employment?

Mr. MALCOLM: Oh yes. Section 17 covers that. In general the bill is framed to cover new entrants to the service. But section 17 makes provision for those who are now in the service and gives them the option of coming under this measure. If they are under Superannuation Fund No. 1 they will have to pay up the difference between the 5 per cent and what they have paid. The same will apply under Superannuation Fund No. 2. If for any years of their service they have not contributed at all and do not wish to contribute for those years the bill provides that they shall be allowed half of those years of service under this act. If they come in without payment, they sacrifice benefits for half of their years of service.

Mr. CHEVRIER: If a civil servant has been thirty years in the service, and it is only within the last ten years that he has contributed to any fund, but for the previous twenty years he contributed to no fund, he may either pay up 5 per cent on his former twenty years, and get the benefit of the complete thirty years; or he will transfer the 5 per cent paid during the last ten years, and will only be given the benefit of ten years of his former twenty years. Now the objection immediately is made; why not allow the same benefit to one who wants to purchase? This act is based on mutuality—5 per cent by the employee and 5 per cent by the government; it is not based on generosity, but based on equality. But in the case of the temporary employee, the one who has given long faithful service and would be unable now to make up for the deficiency, the government will allow him to come in on paying 5 per cent, but they will allow for half his years of non-contribution—in this case ten years. In that provision the bill is generous. But for one who pays the 5 per cent, and who wants to enjoy benefits as for the full thirty years, the act says he will have to pay up. If he cannot pay up he will get the benefit of his last ten years—for which he has already contributed to the Retirement Fund—and half of his former years.

Sir HENRY DRAYTON: The first fund is one maintained entirely by contribution from the service?

Mr. CHEVRIER: That is Fund No. 1.

Sir HENRY DRAYTON: That costs the government nothing. What is the amount to the credit of that fund?

Mr. MALCOLM: There is no separate account maintained?

Sir HENRY DRAYTON: How can we do justice to those who are in that fund unless they are separately maintained and we know they are entitled to it?

Mr. MALCOLM: Any balance that exists the government has to pay.

Sir HENRY DRAYTON: What does the hon. member mean by "Any balance that exists," if there is no balance now? The point about that would be this: Under the old act, while you say the government did not contribute, as a matter of fact they did contribute, and what has been said in that regard is incorrect. They contributed in this way. The employee had to put up 2 per cent of his salary. Under the act he was entitled to an annuity on a specific basis. If the amount at the credit of the fund which was created by the 2 per cent was insufficient to cover the annuity, the government paid something.

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: So that it is not correct to say the government was at no expense in regard to Fund No. 1.

Mr. ROBB: I think my hon. friend is quite right in that.

Sir HENRY DRAYTON: With the 2 per cent, what was the annuity? It was an annuity of one-fiftieth of the average salary for the last five years.

Mr. MALCOLM: Three years.

Sir HENRY DRAYTON: What do we pay in order to supplement the 2 per cent paid by the annuitants under that fund?

Mr. ROBB: They have never kept that on a proper basis. It has never really been kept separate.

Sir HENRY DRAYTON: Then we cannot get at that. We would not get at it by simply saying that $750,000 represented that because that payment of $750,000—

Mr. ROBB: That is Superannuation Fund No. 2.

Sir HENRY DRAYTON: That sum was added for the purpose of putting Fund No. 2 on an actuarial basis. The expenses in connection with Fund No. 1 are apart from that entirely, and the minister tells us he cannot say what those expenses were.

Mr. CHEVRIER: That would all show the necessity of doing away with that system and introducing a new system.

[Mr. Malcolm.]

Sir HENRY DRAYTON: As far as Fund No. 1 is concerned, we do not know where we are, whether it is costing nothing, or whether they have been paying too much or too little.

Mr. ROBB: We know they were paying too little.

Sir HENRY DRAYTON: It is hit or miss. Fund No. 2 is exactly the same as the other, with the distinction that it is 3½ per cent instead of 2 per cent. If I have understood my hon. friend correctly as to the position of the government its contribution is not a fixed percentage but the government puts itself in the same position as it did with regard to Fund No. 1, except that it is now doing it in a more businesslike way—contributing such amounts of money as will maintain Fund No. 2 on an actuarial basis.

Mr. ROBB: We believe the contribution made will maintain Fund No. 2 on an actuarial basis.

Sir HENRY DRAYTON: The cost of maintaining that fund on an actuarial basis for thirty years has been $750,000.

Mr. ROBB: Plus interest.

Sir HENRY DRAYTON: You cannot count that. I do not think it is fair to charge the fund with interest. I treat that just as a payment of $750,000. The next thing we ought to know is how many members of the Civil Service are covered by that. We know that last year there were 189. Is that a fair average number, or were there less or more before?

Mr. MALCOLM: The number has been gradually decreasing from year to year from retirements. This is since 1898. It is twenty-five years since the method was changed.

Sir HENRY DRAYTON: In the committee we had some figures which showed the contrary, that the number first decreased and then increased. I am quite sure that that must be a clerical error.

Mr. ROBB: I am informed that it was a clerical error in the public accounts.

Sir HENRY DRAYTON: We have no balance in Fund No. 1. We have a balance of $1,445,000 in Fund No. 2. What is the balance that we have in the third fund?

Mr. ROBB: $12,027,000.

Sir HENRY DRAYTON: I thought that included the $1,445,000.

Mr. MALCOLM: No, that is a separate amount.

Mr. CANNON: I find this discussion most extraordinary. This is a bill based on the unanimous report of the committee, all parties in this House being represented on that committee. The hon. member did not go to the committee, but his friends must have been there to safeguard the interests of the people. If we continue to proceed at this rate, we shall be here probably all winter. My hon. friend is not the only member in the House. He should have confidence in his own friends who were members of the committee.

Sir HENRY DRAYTON: I thank my hon. friend.

Mr. ROBB: I think the observations of the ex-Minister of Finance (Sir Henry Drayton) are very illuminating and will help us to make progress later on.

Sir HENRY DRAYTON: I cannot please both the Acting Minister of Finance and the hon. member for Dorchester (Mr. Cannon) at once, although I would like to. If I am saying anything which is not strictly in order, I hope the hon. gentleman will call me to order in his efficient way. He has very efficient, taking ways with him, and anything I can do to provoke him to speak will be a pleasure to me, because I always like to hear him talk.

Mr. CANNON: The hon. member's answer to the question I asked is about as clear as mud. I should like to know if he has separated himself from the rest of his party, or if he has confidence in those members of his party who were on the committee.

Sir HENRY DRAYTON: I have not found anything from my hon. friend requiring an answer. When he gets down to something on the bill, I shall have much pleasure in replying to him. I want to find out if I can how much of that $12,027,000 has been put up by the Civil Service and how much has been contributed by the country.

Mr. MALCOLM: All from the service.

Sir HENRY DRAYTON: How is it proposed to handle those claims of the service in connection with this scheme?

Mr. MALCOLM: Those contributing to the Retirement Fund are permitted to transfer to the new scheme within six months. That has been changed by the committee to a year. On transfer, the amount to their credit in the Retirement Fund is transferred to the consolidated revenue fund and the entire period of service for which contributions have been made to the Retirement Fund is counted in computing all allowances under the new scheme. If for any period of service contributions were not made to the Retirement Fund, such period is counted only to the extent of one-half unless arrears of contributions at the rate of 5 per cent are paid without interest. That is the situation with regard to those who have been paying 5 per cent into the Retirement Fund. Contributors to the Superannuation Fund who have been paying a lesser amount have permission to transfer similarly to those under the Retirement Fund, and the period in respect to which contributions have been made to the Superannuation Fund is allowed in full in computing the employee's own allowance, but only to the extent of one-half in computing widow's and children's allowances, unless they pay the arrears of the difference between the rate actually contributed and the 5 per cent without interest. If for any period contributions were not made to the Superannuation Fund, such period counts only to the extent of one-half in computing all allowances unless arrears of contributions at the rate of 5 per cent are paid without interest.

There are certain permanent employees who have never contributed to any fund. These employees are permitted to transfer to the new scheme, but their period of service is counted only to the extent of one-half in computing all allowances unless arrears of contributions at the rate of 5 per cent are paid without interest.

Sir HENRY DRAYTON: What is the percentage of payment making up that $12,027,000?

Mr. MALCOLM: 5 per cent.

Sir HENRY DRAYTON: Then, it is just the same.

Mr. MALCOLM: They are all treated equitably, justly, under the provisions of the bill.

Sir HENRY DRAYTON: In order to treat them justly, they should be taken in absolutely without any further payment for the number of years they have paid.

Mr. MALCOLM: For the Retirement Fund, they are.

Sir HENRY DRAYTON: That was the only thing I was dealing with. If we have 100 per cent of the service coming in, what contribution should we now make in order to preserve the actuarial basis?

Mr. MALCOLM: It is estimated that an amount equal to the $12,000,000 now in the Retirement Fund will be sufficient together with 5 per cent of the salaries for the

future. That $12,000,000 can be amortised over thirty years and will, as the minister has pointed out, cost the country about $680,000 a year. The British Local government has a similar proposition, and they amortised, over a period of forty years. It is considered by the minister advisable to amortise this over thirty years, and the payment would be $680,000.

Sir HENRY DRAYTON: Should we not cover the $1,445,000 so that the government would be in exactly the same position in regard to this?

Mr. MALCOLM: We may have to do that, but the government has already made a contribution of $750,000 to put Fund No. 2 on an actuarial basis so that would take care of itself in the transfer.

Sir HENRY DRAYTON: Yes: that is practically one-half. I suppose the amounts are made up in this way: The employee pays 5 per cent and the government pays 5 per cent on the salary plus the amortisation fund of $680,000?

Mr. MALCOLM: Yes. To the Retirement Fund.

Sir HENRY DRAYTON: I think the minister said that it was $2,500,000 as the annual contribution.

Mr. MALCOLM: Yes. The total annual salary list is $50,000,000. I might point out that, in addition to those under the three funds, there are about 7,000 permanent employees contributing to no fund whatever and about 14,000 temporaries some of whom might be considered as permanent. It is pure guess work to estimate how many will come in under the new scheme, but if all that we have lined up come under the scheme, the salary list will be about $50,000,000, so that the minister's estimate of $2,500,000 is correct. It is very unlikely that all will come in.

Section agreed to.

On section 2—Definitions.

Sir HENRY DRAYTON: What is the meaning of the change made in paragraph (c) by the insertion of the words "for the purpose of this act?" I suppose that would enlarge it so that permanent temporaries could come in?

Mr. MALCOLM: There is a similar provision in the existing act.

Sir HENRY DRAYTON: I am referring to the words, "for the purposes of this act."

[Mr. Malcolm.]

Mr. CHEVRIER: That is intended to take care of certain employees.

Sir HENRY DRAYTON: It would cover what we might call "permanent temporaries"?

Mr. CHEVRIER: Yes.

Section agreed to.

On Section 4—Contribution.

Sir HENRY DRAYTON: I take it that as soon as the 35 years are up there will be no further charge, and the employee will get the maximum benefit?

Mr. ROBB: Yes.

Section agreed to.

On Section 5—Superannuation to the contributor.

Sir HENRY DRAYTON: What does this section provide?

Mr. MALCOLM: There is no change here.

Mr. HOCKEN: I find that in subsection (b) of this section that provision is made for the payment of a certain amount to the widow of the pensioner after his death. This should be made to apply to any dependent. Suppose a widower has a daughter who has spent all her life looking after him; is she not in the same position as the widow would be?

Mr. MALCOLM: Section 7 takes care of such cases; it provides for the dependents of employees.

Sir HENRY DRAYTON: Is there any change as to children?

Mr. ROBB: For the purposes of subsection three of section seven of the act no account is taken of age if the child is dependent.

Section agreed to.

On Section 6—Amount of allowance, how calculated.

Sir HENRY DRAYTON: What is the effect of the change?

Mr. MALCOLM: The amendment is intended to bring this section into conformity with section 16.

Sir HENRY DRAYTON: The superannuation is a certain percentage of the average salary received by the contributor during the last ten years of his service, multiplied by the number of years of service. Is this not the same basis as the other one?

Mr. MALCOLM: No. The committee considered that while the provision in regard to the ten year period might be advisable in the case of new entrants to the service it was not satisfactory for those already in the service, who had gone through a period of low salaries. The committee therefore thought it advisable to make it five years in the case of these civil servants, provision to that effect being contained in section 16.

Sir HENRY DRAYTON: Is there any reason for making the distinction between the two classes? Salaries usually have regard to the cost of living.

Mr. MALCOLM: Civil servants during the past few years have been receiving a low rate of salary which has been supplemented by bonus.

Sir HENRY DRAYTON: I have the point.

Section agreed to.

On section 7—Gratuity when yearly allowance not earned.

Mr. ROBB: If the civil servant retires within a period of less than ten years he gets one month for each year of service.

Sir HENRY DRAYTON: Subsection 1 provides for the civil servant—

—if he is required to retire on marriage—

What does that mean?

Mr. MALCOLM: Female employees are of course compelled to retire on marriage.

Sir HENRY DRAYTON: Then why not say "she"?

Mr. MALCOLM: For the purposes of the act the pronoun "he" is used throughout.

Sir HENRY DRAYTON: I was wondering whether under some new government regulations particular male civil servants were going to be required to retire on getting married, and it seemed extraordinary.

Mr. CHEVRIER: The pronoun "he" is used simply for the sake of conformity.

Section agreed to.

On section 9—Report by the Treasury Board.

Sir HENRY DRAYTON: Certain changes are made in this section.

Mr. ROBB: It was considered that a person who might at the present time be deemed unworthy of the benefits of the act might later on be thought to merit its provisions. The original section provided only for entire disallowance but the amendment will permit of suspension and later on, if it be deemed advisable, the restoration of the benefits of the act.

Sir HENRY DRAYTON: What is the reason for enacting such a provision at all? If a man has paid his 5 per cent for years he should be entitled to his annuity and I do not see why we should withhold it from him.

Mr. McBRIDE: If a man were in gaol for a term of years the government would not want to pay him during his incarceration.

Sir HENRY DRAYTON: I can understand that; is that what the section is intended to cover?

Mr. McGIVERIN: The committee thought that it would be rather anomalous for contributions to be going from the public treasury to a man who was confined in gaol for bad conduct; and other things might be objectionable in his moral conduct. We therefore give power for the discontinuance of the gratuity and its restoration if that is deemed advisable.

5 p.m.

Mr. LEWIS: What about the wife and children of a man who is in gaol?

Mr. MALCOLM: It is left to the discretion of the Governor in Council.

Section agreed to.

On section 10—Retirement compulsory.

Sir HENRY DRAYTON: Suppose a civil servant proves to be just as valuable to the country at seventy as he was at fifty, I suppose the government is retaining the right to continue his services?

Mr. ROBB: That is provided for in subsection 2.

Sir HENRY DRAYTON: What is the reason for the further limitation in subsection 2—

But no such extension shall be granted after the expiration of ten years from the date of the coming into force of this act.

Mr. ROBB: The superintendent tells me that the committee had this under consideration. Later on the act will operate automatically at seventy years. I am bound to say, having regard to some men I know in the service, that the matter might be left for all time to the discretion of the government.

Mr. MALCOLM: We are following in this respect the wishes of the civil servants themselves, who were all of the view that a man should retire at seventy.

Sir HENRY DRAYTON: That might well be, but I am thinking more of the government service. If it is right to do it now, it is right to do it in ten years' time so far as the government service is concerned. The provision for extension should either be struck out entirely or left for all time in the discretion of the government. Surely if the government have a man ten years from now who, though seventy years of age, is rendering valuable service, they would be right in retaining him. I am confident that the minister knows I am right.

Mr. MALCOLM: The objection taken by the civil servants themselves was that if there is not compulsory retirement, promotion is blocked. The committee were not particularly strong on the clause, whether it should be left to cover those now in the service or whether it should apply to all. Personally I have no objection to the power being granted, though there is always danger that the power may be abused.

Sir HENRY DRAYTON: What is the basis of my hon. friend's idea? Should the government have the right to retain an efficient servant or not? Should the country be put to a double cost, the cost of the annuity plus the remuneration to the new appointee, to say nothing of teaching a new hand to do the work? That is what it comes down to.

Mr. MALCOLM: The new entrant usually comes in from the bottom at a smaller salary. It is questionable whether it would cost the government more to replace a junior and move the others up.

Sir HENRY DRAYTON: As a general rule, when they get to that age they have reached their maximum, and their retirement will be based on that maximum. To follow the bill as drafted would certainly be to duplicate expense in many cases.

Mr. MALCOLM: I doubt that.

Sir HENRY DRAYTON: Then why have this thing in at all? If the whole consideration is that there is a blocking of advancement, then everybody should be taken off at seventy, whether good or ill.

Mr. MALCOLM: There is a question of justice in regard to those in the service today who have been contributing to the superannuation fund or who are about the retiring age. If they are allowed to remain a little longer they may be able to enlarge their contribution and make their superannuation worth while.

[Mr. Malcolm.]

Sir HENRY DRAYTON: I am not going to delay the bill, but this provision to do away with any extension after ten years does seem to me absurd.

Mr. ROBB: I do not want to offer any substantial amendment to the unanimous report of the committee, who have given so much time and study to this question, but I am bound to say that I agree with the ex-Minister of Finance. I know there are men in the service who have passed seventy years of age whom the government would not want to lose.

Mr. FORKE: Strike it out.

Sir HENRY DRAYTON: It is only necessary to strike out the words following "not exceeding five years" on line 7.

Mr. ROBB: If it is the unanimous wish of the committee, I move that section 10 be amended by striking out of subsection 2 the following words, commencing on line 7:

But no such extension shall be granted after the expiration of ten years from the date of the coming into force of this act.

Amendment agreed to.

Section as amended agreed to.

On section 11—Regulations by Governor in Council.

Sir HENRY DRAYTON: What is to be covered by (d)?

Mr. ROBB: The committee thought there might be cases difficult to decide, and that it would be well to give the Governor in Council power to prescribe by regulations.

Sir HENRY DRAYTON: I understood we were to have a general superannuation act applying to all classes of employees, even the permanent temporaries. Now apparently we have a provision which indicates that it will be only a partial superannuation.

Mr. MALCOLM: The intention of the committee was to make the act as broad in its scope as possible. There might be doubt in some cases in determining just the application of the act. In the vernacular this is really an omnibus clause to give the minister power to deal with those cases.

Sir HENRY DRAYTON: The idea is not to exclude any of them?

Mr. MALCOLM: The idea is rather to bring others in under the act.

Sir HENRY DRAYTON: I should think that the Governor in Council would not want to change the basis for the computation of

instalments of contributions. I thought that was definitely fixed at five per cent. There would not be any right to change that, would there?

Mr. MALCOLM: If my hon. friend will turn to section 17, sub-section 2, he will find this:

Any payment made under this section shall be deemed to be a contribution under this act and shall be made in one sum or in instalments of equivalent value computed on such bases as to mortality and interest as the Governor in Council may by regulation prescribe.

Sir HENRY DRAYTON: Really, what you are trying to do there, although it is not quite clear, is not to change the general basis at all, but to enable you to handle the other classes that may come in.

Mr. MALCOLM: I explained when I was speaking a little while ago that there would be a hardship created for those who had to pay five per cent, if it was compulsory to pay it all in one lump sum, and this clause is to provide for that.

Section agreed to.

On section 12—Consolidated revenue fund.

Sir HENRY DRAYTON: Should we not have this fund earmarked? It is a trust fund and ought to be carefully earmarked.

Mr. MALCOLM: Section 12 covers that.

Sir HENRY DRAYTON: Section 12 simply says that it shall form part of the consolidated revenue fund. The two clauses would seem to be a little inconsistent, would they not? To my mind not only should it not form part of the general fund, but it should be looked upon as a trust fund, and should carry its interest.

Mr. ROBB: I think my hon. friend is quite right, and the committee have carefully provided for that. Section 11 (c) provides that the Governor in Council may make regulations prescribing the nature and form of the accounts to be kept of income and disbursements under this act, and of the statement to be laid before parliament by the minister. Then section 14 (c) provides that the minister shall lay before parliament within fifteen days after the commencement of each session:

A statement showing the amount received as contributions and the amount paid as allowances during the said year under this act together with such further information as may be prescribed by the Governor in Council by regulation made under this act. Under these provisions it is proposed that there will be maintained an account to which will be credited from year to year:

(a) the contributions made by contributors under the act;

(b) an equivalent contribution made by the government;

(c) interest on the mean fund for the year at 4 per cent per annum;

(d) a proportion of the initial liability created in respect of past service sufficient to extinguish such liability at the end of the period approximating the average term of service remaining to present employees who elect to become contributors. This period will be fixed by regulation after the period of election under the act has expired. It is probable it will be found to be not less than twenty years or more than thirty-five years. In a similar act in Great Britain the period was taken as forty years, but in that act the maximum superannuation allowance was reached at the end of forty years' service;

(e) such further amount as is necessary to provide the full actuarial reserve for the current and prospective allowances as ascertained by an actuarial valuation. It is believed, however, that no addition under this head will be necessary.

There will be charged to this account the annual and other allowances and gratuitities paid under the provisions of the act.

If in the above account the actuarial reserve is provided by a contribution of less than 5 per cent by the government, the government will benefit to that extent. On the other hand, it has a corresponding liability for further contributions—under (e) above. The assumption made in the scheme is that the contribution of 5 per cent and interest will cover the government's obligations under the scheme in respect of future service.

Sir HENRY DRAYTON: Is my hon. friend referring to paragraph (e) of section 11?

Mr. ROBB: No, of the memorandum I am reading.

Sir HENRY DRAYTON: Which section throws that liability on the government? I have not seen it so far.

Mr. ROBB: That will be by regulations to be provided.

Sir HENRY DRAYTON: I do not think the government can very well increase the obligations of the government by regulation. It should be in the act. The minister read out that it was expected that the government's obligation would be covered by that five per cent, and that in some cases it might be less than five per cent, and he went on to say that under subsection (e) the government's liability might be extended. I would like to know what that means. I do not think the act properly covers it.

Mr. MALCOLM: It is a very difficult matter to say that the government's liability will be actually five per cent, and that is why the clause is included providing for a statement being brought down annually. The estimate is that it will be five per cent, but if it does not work out exactly that way, it will be shown to the House each year exactly

how the scheme is working, and provision can be made for correction of the contributions either of the government or of the employees. With the tremendous amount of estimating that has to be done in a thing of this kind, it is not possible to bring it to a strict actuarial basis, and the committee have felt satisfied that anything that may occur that would be irregular and away from the fifty-fifty basis, being shown each year in the statement that was presented to the House, could be corrected.

Mr. CHEVRIER: I do not think there is any question about the government not extending the liability under section 11 (e). That is simply to provide the basis for the computation of instalments of contributions provided under section 17, subsection 2.

Sir HENRY DRAYTON: That is another point entirely; that is the contributions of those who are paying. I am speaking of what the minister was speaking of, the contributions by the government.

Section agreed to.

On section 13—Income tax returns.

Sir HENRY DRAYTON: What is the effect of this? I suppose it is that the civil servant may deduct the amount from his salary. Has the minister considered applying that privilege to the ratepayer? An annuity is a form of insurance, that and nothing else. The premium may be paid for insurance payable on death, or at any given period. The principle here is that there should be no income tax on the moneys which are paid for protection. Is there any distinction in principle between this and the position of the general ratepayer? It perhaps should be considered some time.

Mr. ROBB: There is very much in what my hon. friend has said. He has had demands of this nature presented to him, as I have had, and has been just as procrastinating as I have been, but I am bound to say it is deserving of consideration.

Sir HENRY DRAYTON: My hon. friend is here giving in to it in part and admitting the principle. That is something I never did. If ever I admitted the principle for one, I would admit it for everybody. I do not think there should be any favoured classes under income tax laws or any laws. I am not objecting to this at all, because as a matter of fact it does not amount to anything here; it is so small I do not suppose anything turns on it either one way or the other; but that is not the point. There ought to be some rhyme, reason and principle in connection with Dominion legislation.

Mr. MALCOLM: This clause is simply bringing the bill into conformity with the Income Tax Act, which has a similar provision.

Sir HENRY DRAYTON: This is the first I have heard of it.

Mr. MALCOLM: Any contribution to a pension fund is deductible, I believe, by the Income Tax Act.

Sir HENRY DRAYTON: We have had application upon application from insurance companies and the like. There is no difference whatever between a pension fund or annuity and the position of the ratepayer who cannot get anything special for himself. He has to take a twenty or thirty pay life policy as the case may be. Does the hon. member seriously say that those payments are not taxable?

Mr. MALCOLM: Payments of annuities are taxable.

Sir HENRY DRAYTON: Of course they are.

Mr. CALDWELL: What is this but an annuity.

Mr. CHURCH: Could not the minister consider some more modern method of funding this superannuation fund than mixing it up with the consolidated revenue fund?

The CHAIRMAN: The hon. member is dealing with the wrong section.

Mr. CHURCH: It should be funded otherwise than through the consolidated revenue fund.

The CHAIRMAN: The section to which my hon. friend refers has been passed. We are dealing with income tax return now.

Mr. CHURCH: We are on clause 12.

The CHAIRMAN: No we are not, we are on clause 13.

Mr. ROBB: There is something in what my hon. friend says I will have it looked into.

Section agreed to.

On section 15—Application of part two.

Sir HENRY DRAYTON: What is the significance of the application clause there?

Mr. MALCOLM: The bill is divided into parts. The part we have just finished with applies to new entrants. Part II is to

take care of those under the Retirement Act. Part III takes care of those under the Superannuation Act; and part IV takes care of those who are under no scheme. This clause simply points out what part II covers.

Sir HENRY DRAYTON: Under the first thought cannot officials come in even though they are not new entrants? We have officials who are not under any of these schemes.

Mr. MALCOLM: Yes part IV covers all those.

Sir HENRY DRAYTON: Will it cover everybody that is in the service?

Mr. MALCOLM: Yes, every one who is permanent in the service and not contributing.

Section agreed to.

On section 16—Election to become contributor.

Mr. LeSUEUR: I should like to have one point made clear. If a civil servant is under the Retirement Act I assume he could withdraw the funds to his credit plus the regular rate of interest allowed. Can he start under this new scheme from that date?

Mr. MALCOLM: A civil servant who remains in the service can elect to come under the superannuation fund, or he can continue in the service under the Retirement Act if he chooses.

Sir HENRY DRAYTON: In connection with this same clause, the present fund I think is in the consolidated revenue fund is it not?

Mr. MALCOLM: It is a separate fund, I understand.

Sir HENRY DRAYTON: We had a question put on the order paper and to the best of my recollection we were told it was part of the regular fund. It is a sub-account of the consolidated revenue fund, is it not? It is all in the general account.

Mr. MALCOLM: But in a separate account.

Sir HENRY DRAYTON: It is just separate in this way, and I want the actuary to correct me if I am wrong; this is what I got in answer to the question asked some months ago: It is not separate in that there is an account which shows certain figures; it is not separate in that there are investments or anything of that kind. It absolutely forms part of the consolidated revenue fund.

Mr. ROBB: My hon. friend is right.

Sir HENRY DRAYTON: As it is already in that fund it does not seem to me that this wording works out properly:

> In the event of his so electing there shall be transferred to the consolidated revenue fund the amount standing to his credit in the Retirement Fund.

It is there now, and it ought to be no more to the credit of the consolidated revenue fund than it is now. It ought to go to his credit in connection with the new annuity fund that we are creating.

Mr. CHEVRIER: You could not change the name of the fund, the Retirement Fund has been created by law. This is simply a change in book-keeping.

Sir HENRY DRAYTON: That is all it is. It is a change in book-keeping but I think it should be correctly stated. I just want the minister to follow me for a minute. The Retirement Fund is in the consolidated revenue fund now. There will be a new fund created which shall also be a part of the consolidated revenue fund. That new fund will be the fund which we will create with the employees under this bill. What we are saying here is that the amount to the employee's credit in the Retirement Fund shall be transferred to the consolidated revenue fund where it now is. It seems to me what really was intended was to transfer from the old fund, which forms part of the consolidated revenue fund, to the new fund which in turn will form part of the consolidated revenue fund. This section does not say that.

Mr. ROBB: My hon. friend is right but in the records it appears there now as in the Retirement Fund and I should think this language would be correct when we are making the transfer.

Sir HENRY DRAYTON: If my hon. friend is going to obey this act he will have to have another fund, which he can call anything he likes, but which will form part of the consolidated revenue fund. I know that is intended but this language does not convey the intention. In saying that I know I carry with me the judgment of the chairman of the special committee.

Mr. MALCOLM: I quite agree with what my hon. friend says. I think the wording would be clearer if the sentence had been phrased "There shall be transferred to superannuation fund account from the Retirement Fund account," or something of that sort. I think the wording should be as follows:

> There shall be transferred to Superannuation Account No. 5.

There should be something to distinguish this from the Retirement Fund account.

Sir HENRY DRAYTON: You might make it read:

To transfer to the Superannuation Fund hereby created.

Mr. MALCOLM: Yes, Superannuation Fund account.

Sir HENRY DRAYTON: You are creating one now.

Mr. CHURCH: I call attention to section 19 which provides that any civil servant may at his option within one year after the date of the coming into force of this act elect to become a contributor, and so on. There are certain classes of civil servants who have not been on the permanent staff. For example, the postmen. Are they civil servants under the meaning of the act? They come under the old Retirement Fund I believe, and some are just temporary employees. Would they be affected by section 17 of the Superannuation Act? Are they officials under the meaning of this section, and the previous section, or under section 19? Would they come under the superannuation scheme? The superannuation is for members in good standing. Are they in good standing, and would they qualify under the new superannuation scheme? What is the status of those branch post office officials who have not a permanent position to-day?

Mr. ROBB: If my hon. friend will read section 17 he may find an explanation.

Mr. CHURCH: Has the Governor in Council power to interpret section 19 to take care of them?

Mr. MALCOLM: Does the ex-Minister of Finance (Sir Henry Drayton) think it would be satisfactory to strike out the words "consolidated revenue fund" and substitute therefor, "fund arising from this act."

Sir HENRY DRAYTON: I think that would be all right.

Mr. CHURCH: I would like an answer to my question.

The CHAIRMAN: We are on section 16 and have not reached section 19 yet. The hon. member is out of order.

Mr. CHURCH: I was quite in order. Why was I not in order?

The CHAIRMAN: We are on section 16.

[Mr. Malcolm.]

Mr. MALCOLM: I move that the words "consolidated revenue fund" in line 37 of section 16 be stricken out, and that the words "fund created under this act" be substituted therefor.

Amendment agreed to.

Section as amended agreed to.

On section 17—Periods of non-contribution.

Mr. ROBB: I desire to submit for the consideration of the committee a section to be designated as 17a, and I believe it will appeal to the judgment of hon. members of this House. The present Clerk of the House is 68 years of age. Should he avail himself of the provisions of the Superannuation Bill, he would of necessity retire at the end of two years at age 70. His annual allowance would then be about $960 per annum. Should he not avail himself of the provisions of the bill, but continue to contribute to the Retirement Fund, no adequate retiring allowance would be provided by his interest in that fund.

It is considered fitting that more adequate provision should be made for his retirement and my amendment is suggested to provide for an allowance of $2,500 payable annually throughout life on his retirement within two years from the coming into force of this act.

This allowance is the same as that granted to the former Clerk, the late Dr. Flint, upon his retirement in 1918.

I beg to move the addition of the following as subsection 17a.

The Governor in Council may within two years from the date of the coming into force of this act provide for the retirement of the present Clerk of the House of Commons, and may grant to him on retirement an annual allowance payable throughout life of $2,500.

Sir HENRY DRAYTON: I do not rise to object to the motion at all, but to make a few short observations. One of the ideas of superannuation and retirement ought to be economy. If the Clerk of the House avails himself of this pension, I see no reason why we should have a Clerk and a Clerk Assistant. I see no reason why Mr. Beauchesne could not do all the work. He knows the work to be done perfectly well and is familiar with both languages.

An hon. MEMBER: He might be ill.

Sir HENRY DRAYTON: I do not think there would be much difficulty in that event. He could arrange for someone to take his place if he were ill. Here is a chance to save a little money.

Mr. MACLEAN (York): And recognize a good servant.

Sir HENRY DRAYTON: Yes, an excellent servant.

Mr. ROBB: I am bound to admit that I raised the same point as has been raised by my hon. friend, and I think that the matter should be considered when the present Clerk retires. I think the observations of my hon. friend are quite correct, and I concur in them.

Section agreed to.

On section 18—Application of part III.

Sir HENRY DRAYTON: Which one is this?

Mr. ROBB: Superannuation Fund.

Sir HENRY DRAYTON: I suppose the same principles apply as in the case of the other?

Mr. ROBB: Yes.

Sir HENRY DRAYTON: What is the reason for any difference, if there be any difference?

Mr. MALCOLM: Under the Retirement Fund there is nothing to pay. All the allowances are granted. Under this there is a payment only of the difference—

Sir HENRY DRAYTON: Yes, it is 5 per cent in one and a less amount in the other.

Mr. MALCOLM: This is 3½ per cent and 2 per cent as the case may be.

Sir HENRY DRAYTON: Is there any other difference except that?

Mr. MALCOLM: No other point at all except that.

Section agreed to.

On section 19—Election to become contributor.

Sir HENRY DRAYTON: In reference to the periods of non-contribution, is that covered in the same way?

Mr. MALCOLM: Just the same way. In the case of half time they do not pay, and in the case of full time they pay the difference between what they have paid and 5 per cent.

Sir HENRY DRAYTON: Certain payments are to be deemed a contribution. What is the idea there in connection with that section.

Mr. CHURCH: Will section 19 take care of temporary employees, such as postmen? Can they elect to become contributors under the act?

Mr. MALCOLM: The act covers all classes of permanent employees. If they have been under the Superannuation Act, they come under section 3. If they have been under no contributory scheme, they come under section 4. They are all taken care of.

Sir HENRY DRAYTON: I asked a question as to what was meant to be covered by certain payments being "deemed to be a contribution." It did not seem quite clear to me.

Mr. ROBB: If a man transfers and later resigns his office the contributions are returned to him.

Sir HENRY DRAYTON: The section reads:

> Any payment made under the provisions of subsections 2 and 3 of this section shall be deemed to be a contribution under this act, and shall be made in one sum or in instalments of equivalent value.

Mr. MALCOLM: That is in all the sections.

Sir HENRY DRAYTON: What is the significance of it? I may have passed it over before.

Mr. MALCOLM: Section 5 (a) (iii) reads:

> The Governor in Council may grant to any contributor who has served in the Civil Service for ten years and upwards and who, for any reason other than misconduct or those hereinbefore specified retires from the Civil Service, a withdrawal allowance payable in one sum equal to the total amount of his contribution made under this act without interest.

We want to be sure that any payments of arrears made will be included in the amount of contributions that he withdraws.

Sir HENRY DRAYTON: Any payments of any kind?

Mr. MALCOLM: Any payments made to equalize the years he has not been paying. It may be for arrears. It may be for contributions from current salary.

Sir HENRY DRAYTON: It did not seem to come in with an office being abolished.

Mr. ROBB: No this covers voluntary retirement.

Sir HENRY DRAYTON: The underlying idea is that no matter how many changes there may have been in a man's rank, all those payments are to be considered as payments made by him in respect of his last office, because that would not mean anything unless it was in connection with his last office. It is rather hard to get the meaning from the section. No litigation can ever turn on this, and as long as it is understood what is meant, it is all right.

Section agreed to.

On section 21—Election to become contributor.

Sir HENRY DRAYTON: This covers everybody that is not under either of the other two funds.

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: Those who want to come in under this fund have to pay arrears at the rate of 5 per ecnt?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: Supposing you have a man who cannot afford to pay 5 per cent and who has been in the service for twenty years.

Mr. MALCOLM: He can have half time allowed to him—ten years.

Sir HENRY DRAYTON: Then he would have to pay 5 per cent on ten years?

Mr. MALCOLM: No; he would be allowed the benefit of ten years without the payment of anything. If he wanted the benefit of the full twenty years, he would have to pay 5 per cent for the twenty years without interest. If he wants to sacrifice ten years, the scheme will give him the benefit of ten years' service gratuitously.

Sir HENRY DRAYTON: If he had not any cash at all?

Mr. MALCOLM: The payments can be made by regulation under the act. For instance. subsection (5) of section 19 takes care of that:

> Any payment made under the provisions of subsections (2) or (3) of this section shall be deemed to be a contribution under this act, and shall be made in one sum or in instalments of equivalent value computed on such bases as to mortality and interest as the Governor in Council may by regulation prescribe.

The amount may be deducted from his salary through life; or he can pay it all in cash or in payments of equal amounts for five, ten, fifteen or twenty years. Several schemes are going to be offered to civil servants to take care of that difficulty by regulation in order to make the payment as easy as possible. That point was thoroughly discussed by the committee.

Sir HENRY DRAYTON: What my hon. friend refers to has nothing to do with part IV at all.

Mr. MALCOLM: The same clause covers each of the sections. I read that one just for convenience. Subsection (3) of subsection 21 is the same section as referring to employees covered under part IV.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: All that does is to deal with the payments which are made?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: And it says that payments which are made shall be deemed to have been contributed under this act?

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: That is not what I was asking. What I want to know is this. We have a man working in the service for twenty years. He has no money and he wants to come in under this scheme. Would he be allowed to come in on simply paying 5 per cent with a ten-year allowance?

Mr. MALCOLM: If he has been in the service for twenty years, he may be allowed ten years' service without paying any arrears.

Sir HENRY DRAYTON: In that instance he need pay no arrears whatever.

Mr. MALCOLM. Nothing whatever.

Sir HENRY DRAYTON: If he pays ten years' arrears, he gets the benefit of the twenty years?

Mr. MALCOLM: No. A man who has not contributed to any scheme and who has been in the service for twenty years may elect to come under the scheme without the payment of any arrears, in which case he will be allowed ten years' service gratuitously. If he wants the benefit of the full twenty years, he is allowed to pay in 5 per cent of his salary for that time without interest, either in cash or in instalments.

Sir HENRY DRAYTON: That is, he gets the benefit of ten years' service without paying anything at all and he gets the benefit of twenty years' service if he pays for twenty years? What is the idea of putting them on a different basis?

Mr. CHEVRIER: I thought I made it clear before that the act was based on mutuality. Those who pay get what they pay for. If some people cannot pay the full amount, that is where the generosity comes in and we give them the benefit of one-half the term of their service.

Sir HENRY DRAYTON: That is not mutuality at all.

Mr. CHEVRIER: The basis of the act is mutuality. It is and it is not, if the hon. gentleman wants to put it in that way. If you want to get the full term of your service,

you have to pay for it. If you want the benefit of a certain portion of your service and you cannot pay for it all, this government will give that portion.

Sir HENRY DRAYTON: A man who has been in the service for twenty years and who does not want to pay any arrears gets the benefit of ten years' service for nothing. If we are going to handle this on the basis of mutuality as the hon. junior member for Ottawa tells us is being done, the other man would get the benefit of his full twenty years' service if he paid for ten years. In that case each would be allowed the ten years' service on the same basis. It is perfectly clear.

Mr. CHEVRIER: I do not see it.

Sir HENRY DRAYTON: I do not know whether we should discuss it, but it is just as well that we should see where we are. I should like to see if there is anything of fairness between different members of the service. I will take the same case of men having twenty years service.

Mr. CHEVRIER: The element of mutuality comes in when the government grants him the one-half and says: Pay up the other. That is the fifty-fifty.

Sir HENRY DRAYTON: It does not do that, if the chairman is correct. If my hon. friend (Mr. Chevrier) is right, then the chairman is wrong, because they both cannot be right. The chairman tells us that if a man wants to get the benefit of his 20 years he must pay for the whole of the 20 years; he pays his 5 per cent. without interest. But the hon. member for Ottawa (Mr. Chevrier) tells us the converse; he says that they both get the benefit of 10 years.

Mr. CHEVRIER: No.

Sir HENRY DRAYTON: Then I got it wrong, and I am perfectly right in what I said, namely, that one man gets 10 years for nothing while the other has to pay for 20. If they were both put on the same basis the man who got the 20 would pay only for the extra 10, because the other employee would get 10 for nothing anyway.

Mr. MALCOLM: The hon. member loses sight of the fact that the full cost of the benefits under this scheme is 10 per cent of the salary of the employee for the full 20 years he has been in the service, 5 per cent being contributed by himself and 5 per cent by the government. He is allowed to come in by paying his 5 per cent and he has this advantage over those who have paid 5 per cent into the Retirement Fund, that he has not to pay interest. The employee has 20 years to his credit and in that time the total cost of the scheme is 10 per cent of his salary, half of which would have been paid by the government and half by himself. He is allowed to come in by paying his 5 per cent for the total period. If he does not want to pay anything, he is allowed half the period for nothing.

Section agreed to.

On section 22—Temporary employees.

Sir HENRY DRAYTON: What is the effect of section 22?

Mr. MALCOLM: This is to enlarge the scope of the act. The only employees covered by this section are those who come under the Civil Service Act or who have been exempted therefrom by order in council. This section provides that all such civil servants shall come under the provisions of this Act to the same extent as ordinary permanent employees unless they are assigned by the Civil Service Commission upon certificate of temporary employment and are still serving under such certificate.

Section agreed to.

On section 23—Operation of act extended

Sir HENRY DRAYTON: When is the act to come into effect?

Mr. ROBB: Upon assent. This section applies to the Calder Act and the two acts will run concurrently until November 1. If by any chance this bill is not passed by the Senate we may have to extend the Calder Act to March 31 to provide for the next year. It is hoped however that the bill will be passed.

Sir HENRY DRAYTON: This provision is up to November 1. Why not make it March?

Mr. ROBB: I would rather leave it as it is and it can be amended later on if that is found necessary. The Civil Service, I may say, is satisfied with it.

Bill as amended reported.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PUBLIC SERVICE RETIREMENT ACT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to provide that the operation of the Public Service Retirement Act shall be extended until the thirty-first day of March, 1925, and that the said act shall be deemed not to have expired and ceased to be in force after the first day of July, 1924, but to have continued and to be in force for all purposes thereof whatsoever until the thirty-first day of March, 1925.

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

Mr. MEIGHEN: The first question is purely a matter of detail. Why is the minister choosing a fraction of the year instead of a year for the period of extension?

Mr. ROBB: This afternoon the Civil Service Superannuation bill was reported from the committee of the House. The bill based upon this resolution will run until the 31st of March, 1925, but if the Superannuation bill, having got its third reading in this House, passes the Senate, then we will have this bill amended to provide for extension of the Public Service Retirement Act until the first of November of this year to correspond with the other act.

Mr. MEIGHEN: Is that the date when the Superannuation Act takes effect?

Mr. ROBB: No, the Superannuation Act will take effect as soon as it is assented to. But we will allow employees until the first of November to decide which of these acts they will take advantage of, the Calder Act or the Superannuation Act.

Mr. MEIGHEN: I would think it would be well to allow a longer time than that.

Mr. ROBB: We could determine that afterwards. We proposed in the bill as it would come down to let the act run to the 31st of March, but that might be modified.

Mr. MEIGHEN: I would permit it to run to the 31st of March in any event. I suggest that the word "and" should be "or" in the first line on page 13, if there is need of both expressions, namely "expired" and "ceased to be in force." If there is no need of both, one would do, but if there is need of both, then the word "and" should certainly be "or." I do not suppose both terms are necessary. I would say that "ceased to be in force" is quite sufficient, but if there is any difference in meaning between the two then certainly the word "and" should be "or."

Mr. ROBB: I think my hon. friend is right, and I move that the resolution be amended accordingly.

Amendment agreed to.

[Mr. Robb.]

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 227 to amend the Public Service Retirement Act.

Motion agreed to and bill read the first time.

IMMIGRATION ACT AMENDMENT

Hon. J. A. ROBB (Minister of Immigration and Colonization) moved the second reading of Bill No. 195, to amend the Immigration Act.

Mr. A. W. NEILL (Comox-Alberni): Before the motion passes I wish to call the attention of the House to one section of the bill, I think it is section 3, which gives additional powers to the minister. At the present time he has power to issue a permit authorizing any person to enter Canada, and he now seeks to take further power to allow any person who has entered or landed in Canada to remain there. I think that is too much power and too great an extension of the already very extensive powers possessed by the minister. It is extreme enough surely to be able to say that he can allow anyone whatever, at his own sweet will, to enter Canada. It is surely not necessary to have it made law that anyone having entered Canada, illegally, as it may be, will be allowed to remain by application to the minister. At the very least I would suggest that the word "legally" should be inserted so that it would read, "having legally entered or landed in Canada."

I think also the bill should contain the provision that we find in so many other acts, that within ten days or a limited time after the opening of the session, the minister shall present to parliament a statement showing the number of people who have been allowed in under this clause and the particulars concerning them. But as the section reads now I protest against it, and I will endeavour to move an amendment in committee dealing with it. It may be made possible under that to allow any number of people who have entered Canada illegally to remain here by the mere expression of the will of the minister or of one of his deputies. What brings the matter more particularly home in this connection is this: I wish to call the attention of the House to what occurred in Nova Scotia this spring. In answer to questions in the House by the hon. member, for Centre Winnipeg (Mr. Woodsworth), we were told on the 28th of April that the British Empire Steel Corporation had brought in 105 Chinamen to work on six of their boats trading between five named

ports in Canada. I would just like to give the language used:

A bond for $105,000 has been deposited with the department (by the British Empire Steel Corporation), this bond to cover 105 Chinese.

I want to call particular attention to this:

These Chinese are regarded as non-immigrants, and the bond deposited by the British Empire Steel Corporation will be retained until the department is satisfied that all of the Chinese covered by the same have been checked out of Canada.

Checked out of Canada; I wish to call particular attention to those words. Again, in answer to further questions by myself on the 28th of May we were informed:

It must be remembered that in none of the cases referred to were these Chinese admitted to Canada within the meaning of the Immigration Act, but were simply allowed to come into Canada temporarily.

You will note the peculiar and invidious situation. These men are not in Canada, and yet when they leave they have to be checked out, and there is a heavy bond put up to ensure their being checked out. They are in, and yet they are not in.

Scientists tell us in their lighter moments that they like to dream or think of a phase of existence which contains four dimensions, as compared with three dimensions of this present life. Some scientists think the world to which we will go after death is one of four dimensions. One can readily conceive it would need to be of different dimensions to the one in which we are functioning now to have these Chinamen or anybody else at one and the same time in Canada and yet out of it. They can hardly be in both situations at once, and yet that is precisely the condition indicated by the answers to the questions I have quoted.

The boats on which these Chinamen are employed run between five ports in Canada: Sydney, Halifax, Montreal, Louisburg and St. John. They are all Canadian ports, and the boats are continually in Canadian waters. These Chinamen are not employed for a day or two, but possibly for years. They are permanent employees on these boats, Canadian boats trading in Canadian waters, and, as I maintain, their admission into Canada was perfectly illegal. The only justification given by the department, and surely it is the lamest of justifications in this case, is the good old-fashioned one of precedent. They say—I will quote the answer to one question:

There is nothing in the Immigration Act or in the regulations in the Chinese Immigration Act which applies in a case of this kind.

And yet they were allowed in? Because it has been done before. Precedent! Now, although I am not particularly fond of precedent when it stands in the way of reform, yet there are occasions when precedent can be applicably cited—in logic, or reasoning, legal decisions, or even, perhaps, acts of legislation. In these cases it is, perhaps, applicable to quote precedent; but when it comes down to quoting precedent as a justification for an illegal action, then I think precedent falls to the ground and falls very hard. One cannot conceive that an illegal act can be justified in any way whatever by saying that it has been done before. If we are going to adhere to that principle all that criminals have got to do when they are prosecuted is to say "Yes, I robbed the bank but banks have been robbed before and therefore we have a precedent." That is an exact comparison with the condition in this case. I do not think there was ever a case where justification, on the plea of precedent, falls flatter than it does in this case.

There is another reason that makes it even worse than what it appears. It is said, and said truly no doubt, that Chinamen were admitted before under similar conditions during the war, and various cases that occurred between 1914 and 1921 are cited in which Chinamen were admitted. But there are two conditions which must be considered in that regard and which absolutely dissipate the idea that there is any force to the argument that Chinamen were brought in before. The first is this: Chinamen were allowed in during the war, and the expression "during the war" can be used to justify and explain a great many things. However, the war is not in progress now. But there is a still further reason. During the war the admission of Chinamen was legal on condition of paying a $500 poll tax. To-day it is not legal under any circumstances whatever either with or without the payment of a poll tax. But prior to 1923 the only thing that might have happened would have been the loss by the government of $500 per head unless a bond was given and it was provided that the employers would be responsible for this bond. If this were done one could well conceive that for that time at any rate no great harm could be done by allowing those Chinamen to come in. But that condition no longer exists. It is not legal now to bring in Chinamen by paying $500 or any other sum, and to say that a bond was given is no justification. I do not care if I give a bond for a million dollars; it is no justification for my robbing a bank. And when it is said in this case that a bond was put up I reply that there is nothing whatever in the act which justifies the putting up of a bond.

Now, I want to consider all these circumstances. I heard the other day that a very worthy judge, now resident in the East, went out one Sunday morning in British Columbia and shot a pheasant, and by so doing he committed no less than four direct violations of the British Columbia statutes. I think the conditions are somewhat similar in this regard only they are very much worse. The first respect in which the statute was openly violated was this: I call attention to section 2 of the Alien Labour Act, being section 2 of chapter 97 of the Revised Statutes of Canada. Section 2 reads as follows:

> It shall be unlawful for any person, company, partnership or corporation, in any manner to prepay the transportation or in any way to assist, encourage or solicit the importation or immigration of any alien or foreigner into Canada, under contract or agreement, parole or special, express or implied, made previous to the importation or immigration of such alien or foreigner, to perform labour or service of any kind in Canada.

That is the section of the Alien Act which applies in this case. Now, it is openly admitted, it is not even denied, that these Chinamen were brought in by contract from China, via England, to work upon these boats. It is so stated both in the question and in the answer referred to; they evidently come under the scope of this section. They were brought in as contract alien labourers. So strict is the act in that regard that section 8 of the same act even imposes a severe penalty on the master of any vessel who brings them in and permits them to be landed from any foreign port. The language of the section is "Who, previous to embarkation, had entered into a contract or agreement" and so on. The law even penalizes the master of the vessel who is a party to any deal of that kind. I think it is abundantly shown that these men were brought in illegally—they were alien contract labourers.

But if that is not sufficient we can turn to section 5 of the Chinese Immigration Act of last year, the act of 1923. Section 5 says:

> The entry to or landing in Canada of persons of Chinese origin or descent is confined to the following classes.

And the section names them: First, the diplomatic corps; second, children born in Canada who have left for their education; third, merchants; fourth, students. These Chinamen that came to work on these boats at Halifax, Nova Scotia, were not members of the diplomatic corps, they were not born in Canada, they were not merchants and they were not students. Therefore they came in in direct and flagrant violation of section 5 of this act which we passed last year in order to deal with such cases.

If that is not sufficient I will quote another section and another violation. Section 7 of the same act reads as follows:

> No person of Chinese origin or descent other than the classes mentioned in paragraphs (a) and (b) of section 5 and sections 23 and 24 of this act—

Neither of which applies in this case.

> —shall be permitted to enter or land in Canada elsewhere than at the ports of Vancouver and Victoria.

These men did not land at the ports of Vancouver or Victoria. They landed at Halifax, in the province of Nova Scotia, and there again is a distinct and unescapable violation of that section of the act. Again there is another section, section 22 of the same act. This section deals with the case of Chinese in bond. It was said that a bond of $105,000 was put up as a guarantee that these men would be deported, but there is no provision for that kind of thing in this or any other act. Here is the section relating to bonding privileges:

> Persons of Chinese origin or descent may pass through Canada in transit from one port or place out of Canada to another port or place out of Canada—

Provided that it was in accordance with the regulations. These Chinks did not come from one port of Canada and pass through in transit to another port—they stayed in Canada. That is the only provision in that or any other act by which they could come in in bond, so that this bond that was to be given was illegal and I presume had no effect. I do not know about that, but it certainly was illegally entered into. So, there are four distinct violations each one of which would be sufficient, one would think, to ban any ordinary individual.

Now it may be asserted that a similar condition exists in Vancouver, and why discriminate between the East and the West. In Vancouver there are a number of Chinamen employed upon the boats owned by the Canadian Pacific Railway which run to China and Japan. I am not here to defend the government in subsidizing these boats manned by Chinamen in any sense but the conditions are different. The Chinamen there are hired in China. They work on these boats and they stay on the boat in China for a considerable time. More than two-thirds of their total time is spent either in China or on the high seas. They are only in Vancouver whilst the boat unloads and reloads, only a few days each month and they can be easily guarded there—they are practically kept in gaol there until the boats sail again. They are not hired

in China in defiance of the Alien Labour Act as were the men in this case. So the conditions can be truthfully said to be entirely different. The question arises why were these men brought here? Well, I have here a quotation from a local newspaper, and I do not want to stress this particular man's plea because he was only a victim of circumstances along with other people. His name appears to have been Duncan McDonald. He was a fireman. He joined one of the boats of the British Empire Steel Corporation, desired to serve three years, and obtain a fourth class engineer's ticket.

> With this view, I did my best and served from the stoke-hold to the engine room.

And so on. Then he says further:

> I was at work in the engine room Saturday afternoon when the second engineer came in. He said: "The Chinamen are coming Monday, so I suppose you had better go out and look for another job." I am now pitching coal in the fires of an old rum-runner, very little bigger than a wash tub.

This man forwards to this paper certified certificates of his character, giving him the highest character for sobriety, intelligence and diligence. He was a young Nova Scotian trying to make his way in the country. That did not happen in Hong Kong, China; it happened right here at the Canadian port of Halifax. Why was this man fired? His superior officers did not want to discharge him, but gave him the highest character. They discharged Duncan McDonald "only because it has been decided to man this department by Chinamen." The paper continues:

> We ask in all the seriousness that can attach to the question, could anything be more tragic, could anything be better calculated to kill ambition and usefulness in a bright young son of this province?

The paper further says:

> The very flower of the manhood of Nova Scotia has been pouring out of this country at an alarming rate; the exodus has assumed appalling proportions. These young men are leaving this province because they cannot find work in this province, and Duncan McDonald—conspicuous for his integrity of character and his aptitude for his work; perfectly sober and attentive to his duties—must go out and take a job on a rum-runner because someone wants to man "Canadian home trade" ships with Chinamen.
>
> Why was Duncan McDonald discharged? Certainly not because he was a drunkard; certainly not because he was a ruffian and an incompetent. His superiors have set their hands to the statement that he is everything that an honest, sober, and intelligent workman should be. Duncan McDonald was discharged because "the Chinamen were coming." And why were the Chinamen coming? There can be only one answer; because they will work for lower wages than Canadian seamen receive.

It has been stated in answer to a question asked in this House that it is the purpose of this company to confine the employment of Chinamen to firemen and cooks, and they give as a reason for that that they cannot obtain firemen and cooks to man their boats. There is a large number of employment agencies in Canada, and I have no doubt such agencies exist in the eastern provinces. What record is there of these agencies being applied to to see if they could supply the necessary cooks and firemen for this work, in order that Nova Scotians should not be fired out of the remaining jobs they have, and Chinamen placed in their positions? I think a number of men could have been supplied by the employment agencies throughout Canada if an attempt had been made to get them. But the real reason—and we must not shirk it—that these Chinamen were brought in is that they would work at a cheaper rate than Canadians, and their employers, quite properly from their point of view, chose to employ them; and so long as they kept within the law that was their privilege.

But they have not kept within the law. They have brought the men in, first in defiance of the Alien Labour law, secondly in defiance of the Chinese Immigration Act, and thirdly in defiance of the section which prohibits them from landing at any point in Canada excepting Vancouver and Victoria. They were therefore improperly brought in. The only method by which they obtained entry to Canada appears to be a letter from the deputy minister, for which there is no sanction within the four corners of the legislation of Canada. This permission should be cancelled, the men should be deported, and steps should be taken to prevent anything of this kind happening again. I hope the minister will take the opportunity of replying in this debate; or perhaps when the estimates come up the matter can be discussed, in order to discover what steps can be taken to correct the evil. I am quite willing to assume that this was a casual error, but we do not want it established as a right thing, because it is not according to the law, and it may spread. It may be used to allow any number of aliens of any description whatever to be brought into Canada.

I might say one or two words more upon the suggestion that they are not in Canada. They are in Canada. They could not get into Canada by any other means than by landing. They came out as passengers from England on a boat called the Cedric. That boat landed those men on the wharf at Halifax, and from there I presume they were put on board the company's boats. They were

in Canada technically and actually. They are in Canada, sailing on Canadian boats and in Canadian waters, and displacing Canadian men. I cannot see that there is any way that the matter can be explained, except by frankly admitting that a mistake has been made, and I think that some steps should be taken to remedy this error in the immediate future.

Motion agreed to, bill read the second time and the House went into committee, Mr. Gordon in the chair.

On section 1—Amending paragraph (d) of section 2.

Mr. WOODSWORTH: This amendment is along the lines of an amendment introduced last year, and to a certain extent is a move in the right direction. It is an attempt to get rid of some of the vicious legislation that was placed on the statute books in 1919, during the period in which there was still more or less of a war hysteria. But I submit this amendment does not go nearly far enough, and I would urge that there should be some further changes at this time. The latter part of section 1 reads:

> And provided further that no person who belongs to the prohibited or undersirable classes within the meaning of section 41 of this act shall be capable of acquiring Canadian domicile.

Now we must turn to section 41 to find out just who they are to whom reference is made. That section reads:

> Whenever any alien advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, or other British dominion, colony, possession or dependency, or the overthrow by force or violence of constituted law and authority, or assassination, or shall by word or act create or attempt to create riot or public disorder in Canada, or shall by common repute belong to or be suspected of belonging to any secret society or organization which extorts money from, or in any way attempts to control any resident of Canada by force or threat of bodily harm, or by blackmail; such person for the purposes of this act shall be considered and classed as an undesirable immigrant.

I think it is very clear that no one will urge that any of these crimes which are mentioned here are to be in any sense condoned, but I should like to point out the bearing of this section. The phrase is "Anyone who shall by common repute." I do not think we have any business to act on common repute. A man ought to be proved guilty of any crime: The minister ought not to act on common repute. Not only that, but the clause proceeds, "Or to be suspected of belonging to any secret society or organization." It seems to me that a man should not be declared guilty simply because some official suspects him of belonging to an illegal organization. I am not defending the man who belongs to an organization which resorts to these tactics, but I urge that we should have something more than suspicion on which to convict him. It would be most regrettable that section 41 should go through as it stands in the bill, although I frankly admit that it is a considerable advance on the old section 41. One point in which there is possibly an advance is that the old section 41 as contained in chapter 26 reads: "every person," whereas it now reads "every alien." I should like to protest against the aliens being thus singled out. The effort is being made in this legislation to protect people of British birth, and I think they should be protected. They should not be victims of suspicion; they should not be condemned because of common adverse repute, but aliens also ought to be protected. We have hundreds of thousands of alien-born people in the West. We have many who have not yet taken out their naturalization papers. I am not pleading for those of them who are guilty of the practices enumerated in this section, but if accused they ought to have a fair trial and that is not provided for in this legislation. Moreover, there still remain unrevised paragraphs (n) and (o) of chapter 25, section 3.

Mr. ROBB: Before my hon. friend leaves that point, will he refer to section 42, subsection 2? I think he will find that ample provision is made for an inquiry by the department.

Mr. WOODSWORTH: It is true there may be a departmental inquiry, but it is to that that I object. A mere departmental inquiry is not sufficient. Such a case ought to come before the courts of the land. If I may pass to paragraphs (n) and (o), these are among the prohibited classes:

> (n) Persons who believe in or advocate the overthrow by force or violence of the government of Canada or of constituted law and authority, or who disbelieve in or are opposed to organized government, or who advocate the assassination of public officials, or who advocate or teach the unlawful destruction of property.

Again these are very serious evils that are aimed at, but the phrase—

> Those who are opposed to organized government.

—is very broad.

Mr. ROBB: These persons under the act are excluded from Canada. They are never admitted. Does my hon. friend want them admitted?

Mr. WOODSWORTH: I do not. I know the ostensible purpose is to exclude these people, but if they get past the gates they can still be dealt with under this clause as immigrants. These are the prohibited classes:

Those who disbelieve in or are opposed to organized government.

That phrase is too broad because, in practice, it may very easily be interpreted to mean those who are opposed to some particular organized government. We have heard all sorts of governments proposed. We even advocate in this House certain changes of government. If a man is an alien and advocates some government that is not familiar in this country, he may come under this section. The same is true of the other phrase:

Those who advocate or teach the unlawful destruction of property.

No one would reprobate more than I would the unlawful destruction of property or any destruction of property, but this phrase may be and has been very broadly interpreted. If during an industrial dispute a striker might advocate the leaving of the pumps and the safety of mines be threatened, he might be said to be teaching the unlawful destruction of property, because his action might result in certain losses to property. That is the line of interpretation which was actually taken in one case in Canada. That is the danger in this legislation as has been pointed out by the Trades and Labour Council of Canada and their legal adviser. I would suggest that if we are to have sections of this character in the act, they ought to be more definitely phrased. This section, so loosely drawn, lends itself to broad interpretations under which almost anyone might be convicted. Paragraph (o) reads:

Persons who are members of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government. . . .

And so on. That is the same style of phrase, and it may very easily be interpreted as meaning those who are dissatisfied with the particular kind of government which prevails at the present time. The viciousness of the legislation in my judgment, lies in the fact that anyone who is suspected of doing this kind of thing, if he is an immigrant—and I may say with regard to paragraph (n) or (o), whether he is an alien immigrant or a British-born immigrant, because there is no limitation—is declared to belong to the prohibited classes. Although he may have gotten past the immigration gates, he still belongs to those prohibited classes. We are told in the introductory paragraph that anybody who belongs to those prohibited classes is not allowed to establish domicile in Canada. This means that any of those people who are suspected of acting or thinking along these lines may be deprived of the right to trial by jury.

I agree with the objects aimed at in this legislation, that we ought to keep out of this country undesirables. But I believe, when a man comes into this country, when he lives for a time here, when he commits or is suspected of committing a crime against the country, his trial ought to be, not a mere departmental inquiry, but a trial before a judge and jury. We owe him that. Our general conviction is that every man in this country ought to have a fair trial, and I would urge that the minister consider the advisability of so redrafting this legislation as to ensure to every man in Canada a fair trial and not merely a departmental inquiry.

Mr. McMASTER: I do not think there is anybody in this House who is not desirous that people of undesirable character should be kept out; but I would urge upon the minister that it is un-British, un-Canadian and unfair to turn a man out of this country because he may have a common repute of being undesirable. It would be so easy for some unpopular person among a certain class to be condemned because people who do not like him said that he came under one of those undesirable classes. That a man should be liable to deportation, whether he is an alien or a British subject just because he is suspected of entertaining certain undesirable beliefs, surely is very far from the ideals of justice and fair play. I feel that if we pass any law which does not measure up to the ideals of fairness and justice which we all should hold, we only lower the law, and the appreciation of the law, in the minds of the people. I believe that the legislation should be modified along these lines. I do not condone these offences nor do I desire the people entertaining these views to have asylum in our country; but they should not be kept out, nor should they be turned out if they do get in, simply because by common repute they hold certain views and because they may be suspected by some one or other of harbouring undesirable doctrines.

Mr. ROBB: The laws of this country are enacted for the protection of the Canadian people, and there is no hardship in any respect in this legislation nor has any hardship been caused hitherto to the people of the classes referred to. Let me read the law to hon. gentlemen who I am sure will agree that no hardship is imposed upon any of the people

who have not been proven guilty of these offences. Section 42 reads:

> Upon receiving a complaint from any officer, or from any clerk or secretary or other official of a municipality, against any person alleged to belong to any prohibited or undesirable class, the minister or the deputy minister may order such person to be taken into custody and detained at an immigrant station for examination and an investigation of the facts alleged in the said complaint to be made by a Board of Inquiry or by an officer acting as such. Such Board of Inquiry or officer shall have the same powers and privileges and shall follow the same procedure, as if the person against whom complaint is made were being examined upon application to enter or land in Canada and such person shall have the same rights and privileges as he would have if seeking to enter or land in Canada.
>
> 2. If upon investigation of the facts such Board of Inquiry or examining officer is satisfied that such person belongs to any of the prohibited or undesirable classes mentioned in sections 40 and 41 of this act, such persons shall be deported forthwith, subject, however, to such right of appeal as he may have to the minister.

So that there is the right not only of inquiry but also of appeal to the minister, and I believe that the people of Canada want to see justice meted out shortly and swiftly to offenders against this law.

Mr. WOODSWORTH: Why does the minister object to a fair trial by the courts of the land?

Mr. ROBB: Does the hon. gentleman not think that this is a fair trial?

Mr. WOODSWORTH: A departmental inquiry, with an appeal to the minister the only appeal, is not a fair trial.

Mr. MILLAR: I think that very broad powers for the minister and the department are required just at the present time. At certain seasons of the year, particularly in harvest time on the prairies, it is quite possible—and indeed at times it does occur—for workmen to cause trouble and even terror. It is the easiest thing in the world just when the grain is being threshed, and when there are large gangs working together, for a man to put stones in the sheaves and so wreck the threshing machines; and it is not at all improbable that they would go the length of putting a bundle of matches in a sheaf. This is not imaginary, for I have had an experience of this sort myself. On one occasion I engaged two men who came from the province down by the sea of which we hear so much, and they deliberately put stones in the sheaves. They admitted having done so and when asked the reason they said that they wanted a rest; that was all. There may be something in the suggestion of the hon. member (Mr. Woodsworth) that these people should have a trial by judge or jury, but in many cases it is difficult to convict those men who belong to the I.W.W. and who are agitators. I noticed very recently that in a settlement in the Peace river country—I do not know just where it was but it was in the southern part of the district—a number of men of this class got together and made certain threats, and in fact even drove out the only two Canadian families that were in the district. They simply defied the powers. I have nothing but a newspaper report for this.

Mr. KENNEDY (Edmonton): I do not think the hon. gentleman should take the newspaper report too seriously; I know the district well and I do not think there is any foundation for the allegation.

Mr. MILLAR: The hon. member knows the district better than I do, and as I said I have just the newspaper reports for it. I know however for a fact, which no one can deny, that in the harvest season when men are gathered together from the United States and from eastern and far western Canada, there is very grave danger of machinery being destroyed. It is necessary at such times to rush the work through and one has to engage almost any able-bodied man who offers his services. It is difficult to weed out the undesirable ones and these men working among the others very often start an agitation; they will burn buildings and destroy threshing machinery and generally cause a great deal of trouble and loss of property. A law of this kind may possibly be required in the industrial centres; but speaking from this standpoint alone in regard to the western provinces I think it is highly necessary for the minister and the department to have broad powers to enable them to deal severely with this class in Canada.

Mr. ROBB: And swiftly.

Mr. HOCKEN: I am in entire accord with the measure as explained by the minister. I am a friend of labour but I am a friend of the man who wants to work and who desires order in this country. I am an opponent down to the ground of anarchy and anarchists, and I know that men have come to this country with no other intention than to cause trouble and stir up agitation, thinking they could subvert order in the towns or cities in which they settled. We had a group of harvesters from Scoland or England—

9 p.m.

Mr. CHISHOLM: Not from Scotland.

Mr. HOCKEN: Well, they were from England, Ireland or Scotland, but the

man's name I want to mention particularly is Leslie, which I venture to say is a Scottish name. He went on the prairies with a group of harvesters and as soon as the harvest was over he made his way to Winnipeg and from Winnipeg to Toronto, and he caused more annoyance and was a more violent anarchist I suppose than we have ever had in our city. He stood up in the dock in the police court and declared himself a revolutionist who was proud to have been able to shake hands with Lenin of Russia; and he wanted the city of Toronto turned into a Moscow. He led a party down to this city this session, having walked all the way from Toronto to intimidate this government, and one thing I can commend the government for most heartily is the fact that there was no surrender to that bunch of Bolshevists. There were not very many of them. I think it is only right that we should have a law to deport a man like that or any group of men who will create disturbance in the country. I agree with the hon. member (Mr. Millar) that the minister should have wide powers to deal with men of that type. I think I may fairly say that we have in this country among the masses of the people a larger proportion who are orderly and law-abiding than perhaps can be found in any other country in the world. I think that is largely due to the fact that our agricultural population is large. Nothing makes a man steady, sober and orderly like having some real stake in the country he lives in. In this Dominion of Canada every man can have some stake here; if he will practise thrift and make a few sacrifices in his young manhood he can have land of his own and a home of his own.

Mr. GOOD: May I ask my hon. friend whether the stability depends on the amount of stake a man has in the country? If so, would that apply in superlative degree to a millionaire?

Mr. HOCKEN: I do not quite get the drift of my hon. friend's question. I do not know that any millionaires are going around like Mr. Leslie, declaring themselves in favour of revolution. I do not think millionaires make revolutionists, although some of my hon. friends will disagree with that. I do not think a man is a revolutionist unless he has evil in his heart. I do not think any healthy man need starve in this country. Any man who is industrious and thrifty can make his way and gain a competence in Canada. But men who come here with a different idea, that of stirring up strife, ought to be deported, and the more quickly they are deported the better it is for those who remain. There are men in this House, on every side, who began their lives with no more money than Mr. Leslie had when he came out to this country, but they did not attain a competence or a comfortable livelihood without effort. Are we who desire to work, are people who are sober, thoughtful, steady and orderly, to be subject to the agitations of men who pride themselves on their acquaintance with Trotsky and Lenin and declare for revolution in public places in this country? I think not. And as far as I at least am capable, my voice and my vote and my influence, though they may be very little, will be directed against that class of people, and I will support this or any government in taking whatever measures are necessary to get such people out of the country without delay.

Mr. MEIGHEN: I am going to address myself to a very brief effort to alter the viewpoint of the hon. member for Centre Winnipeg (Mr. Woodsworth) and possibly of others who may agree with him. But before doing so I commend the government for coming so close to, indeed entirely into, our ground on this subject, as they have on many others under the enlightening influence of office. What a few years ago was considered rank and bold autocracy is now considered wise and sane administration. The deportation powers of a minister or of a government are not powers that are exercised for the purposes of punishing offences. They do not imply a crime; they do not imply an offence against the law. They are simply a power, one of many, exercisable for the purpose of selecting the immigrants who come to Canada. This is their purpose and no other. Before any citizen of our country or any alien on our shores is to be deprived of his liberty or his life he is entitled to a trial by judge or by jury. But why is this? Because his liberty and his life are his natural rights, rights that no one can deny him unless he forfeits them in whole or in part by his own misconduct, by offences against the law of the land. But to live in Canada is the natural right of nobody until his citizenship there is established It is not the natural right even of any man from England, even of any man merely because he is a British subject. We are not prepared to admit a man simply because he can raise the British flag. His indefeasible right to live in Canada we have never admitted, and we are sorry we cannot admit it. Much less have we ever admitted that any man from anywhere else on earth has a natural right to have a habitation here.

So when we deny him what he never had a right to, what he never established his right to, and when we do that by the means of deportation, we are not committing any wrong against him. It is essential, in order that this instrument may be exercisable for the purpose of properly selecting immigrants, that the powers of the minister be summary. It is essential that they be capable of swift and immediate execution in appropriate cases. But to suggest that we must give a man a trial by jury before we decide whether he has a right to come to Canada and stay here after he has arrived is to my mind absurd. We are not denying anything to which the man ever became entitled. We are merely exercising in the only way we effectively can, and with the least possible injury to him, an essential power of government.

Mr. McMASTER: Does the hon. member think it wise that people should be deported on general repute or suspicion?

Mr. MEIGHEN: Not as a rule. But there do come cases where the repute itself is so notorious as to amount to a conclusion. I do not know that ever within the period in which this clause has been in force there has been a case of deportation because of mere repute. I am not certain that there has; if there has I fancy the cases were very few. But if it were a notorious case where the man's reputation was world-wide as an anarchist, why would the minister need to have some other proof? He might exercise his power in such a case merely on the basis of the repute or notoriety of the individual. It seems to me it is not unwise to have the law such that he can.

Mr. McMASTER: What about the suspicion?

Mr. MEIGHEN: The word "suspicion" does not appear to me to be necessary at all.

Mr. MARTELL: When the minister is acting in this way is it not the case that he is acting judicially? I mean, that he is taking cognizance of whatever evidence is before him? Moreover, a trial by jury might mean that a man would have to be in this country a year before he could be brought to trial.

Mr. MEIGHEN: Certainly the minister's powers under the act are judicial powers.

Mr. WOODSWORTH: Although the ostensible object is that of selecting immigrants, this power may be exercised to secure the punishment of people who have committed or who are suspected or reputed to have committed crime. As I understand the amendment, whether a man has been here one year or twenty years makes no difference; under this legislation it is simply impossible for such a man to establish domicile. An Englishman who has come to Canada and lived here for twenty-five years and is suspected by some of his neighbours or by some over-zealous official of being a member of this particular class or having tendencies along this line, might conceivably be called before a committee of inquiry appointed by the minister and summarily deported to Great Britain. I say that is an intolerable situation.

Mr. ROBB: My hon. friend is building up a straw man to knock him down.

Mr. WOODSWORTH: I am not knocking down a straw man, as an attempt was made in 1919 to do just that thing, and had it not been for a general protest across the country it would have been done.

Mr. COOTE: I would just like to ask the minister, and the question is brought to my mind by the leader of the opposition, how long an Englishman would have to be in this country before he would have the rights of Canadian citizenship?

Mr. ROBB: Five years.

Mr. MEIGHEN: I fancy the minister is hardly right in his answer. I do not say the period is wrong, but his rights of citizenship are immediate. His right of residence is defeasible within the five years.

Mr. ROBB: That is what I meant.

Mr. WOODSWORTH: Am I not right when I say that any one who belongs to one of these prohibited classes could not establish domicile, no matter how long he has been here, whether it is five years or twenty years?

Mr. ROBB: He could if he were a person of good character.

Mr. WOODSWORTH: That is the point at issue.

Mr. LADNER: Some time ago I addressed to the Secretary of State a letter dealing with the question of naturalization by those who retain the naturalization of their country of origin when making application for naturalization here. It is a question of dual nationality, and it affects a number of countries, particularly Japan. I took occasion when raising the matter in the House of placing on record the views of people on the coast who are well informed on this question, and perhaps one of them was the best informed person on naturalization questions in western Canada.

The CHAIRMAN: I am rather inclined to doubt whether the hon. member's remarks are relevant to this particular section, which relates to those who are confined in penitentiaries, gaols, reformatories, and so on.

Mr. LADNER: My remarks referred to section 1 of the act, which contains a number of subsections.

The CHAIRMAN: Section 1 before the committee deals with certain classes of criminals.

Mr. LADNER: But there are other classes in section 1. I merely wish to ask the minister if consideration has been given to the question of doing away with dual citizenship; in other words, of making the law so that an immigrant coming into this country who retains the citizenship of his country of origin will not be able to acquire citizenship in Canada. That is a matter of great importance, and I thought the department had looked into it, and would have some views upon it now that these amendments are being brought down.

Mr. ROBB: I am bound to say I have not considered that feature. The matter brought up by my hon. friend is one that might perhaps more appropriately be discussed with the Secretary of State.

Sir HENRY DRAYTON: Can the minister tell us what is meant by the term "undesirable classes." Take an immigrant who can speak neither French nor English, who is without means, and has not enough skill or ability to work at anything. Would he be held to be undesirable under this section?

Mr. ROBB: If he is an illiterate he would not be admitted to Canada at all, under the Immigration Act.

Sir HENRY DRAYTON: Then I am afraid my hon. friend is not enforcing his regulations, because we have up in northern Ontario now a very large number of men who are illiterate, who can speak neither English nor French, and who are being maintained largely by the charity of the people up there. There are 150 Finns up there.

Mr. ROBB: How long have they been in Canada?

Sir HENRY DRAYTON: They got here this year, and applied for work, but it was found they could not work. They are uneducated, can speak neither English nor French, and are being supported by charity; at least they were a month ago

Mr. ROBB: Most of the complaints coming to us are that the department is too strict in the matter of examining immigrants.

Section agreed to.

On section 2—Members of family accompanying rejected person.

Sir HENRY DRAYTON: I notice, not only in connection with this section but other sections, additional expenses are put on the transportation company, and I was just wondering whether it was this sort of thing that brings about this situation. I remember the time very well when the rate on immigrants was £3 and £3 10s. Today the cost of passage is a multiple of that sum. It is one of the chief expenses my hon. friend is up against in connection with his work of immigration. The increase is very great, and I was just wondering whether all these provisions dealing with the transportation companies do not simply mean that we are going to have a very high rate of passage for immigrants. Why should there be a general charge against the transportation companies unless they are wrong?

Mr. ROBB: There is no charge against them unless they are wrong.

Sir HENRY DRAYTON: There certainly is under this act, absolutely. Now if they are to be insurers and are to be put to all these charges, the transportation of officials, not only Dominion but provincial, and all that sort of thing, of course they are going to continue to make these tremendous charges against immigration. Would the minister let us know what the rate is now?

Mr. ROBB: The passage costs from sixteen to eighteen pounds, according to the ship. The Commissioner of Immigration tells me that had the total detention charges of last season been charged against the transportation companies it would not have amounted to 25 cents per head on the immigrants carried.

Sir HENRY DRAYTON: These proposed sections were not law then.

Mr. ROBB: There is a measure of fairness in this, I submit to my hon. friend.

Sir HENRY DRAYTON: What does my hon. friend think of the multiplication of the rate from £3 10s. to £16 and £18, when we are looking for immigrants?

Mr. ROBB: At the outbreak of the war it was £6 10s. While the rate for immigrants has increased, it has not increased proportionately more than the rate for first-class cabin

passengers, nor proportionately more than freight rates. It is due to the general increased cost of operating a ship, higher wages, higher cost of coal, and everything else that goes into the operation of a ship.

Sir HENRY DRAYTON: I think the increase in this particular rate is out of line pretty nearly with everything.

Mr. ROBB: I admit the rate is high.

Sir HENRY DRAYTON: We did have an increase of 50 per cent in our grain rates, and from Saskatoon 32 per cent—

Mr. ROBB: Those are rail rates.

Sir HENRY DRAYTON: Well, we will come back to the ocean. I was going to point out that those increases have disappeared. There is not the taxpayer to draw on in connection with decreases here as there is in connection with decreases in the rail rates. But however that may be, I do not think my hon. friend will find that other rates have multiplied in the same proportion as the rate on immigrants. In 1893, my recollection is that the rate was £3 10s. Now if people have to pay from £3-10 up to £16 it is easy to see there is quite an obstacle to immigration. I wonder if we could not use some of the boats of the merchant marine on their return passage to carry immigrants?

Mr. ROBB: I would not think so; my hon. friends opposite did not build them for that purpose.

Sir HENRY DRAYTON: That is true, I admit that immediately. I do not think we had very much trouble on this score at that time but we certainly have the trouble now. I do not suppose we would be able to give very palatial quarters on the boats of the merchant marine, but I fancy there are a whole lot of decent people overseas who would take passage on those boats, even though the accommodation would be very different from that of the ordinary liner, at a rate of £3 10s. in preference to paying £18.

Mr. ROBB: Before the section passes I should say that we have arranged with the transportation lines whereby they give a remission on the regular rate of $15 to each third class passenger coming from the United Kingdom to Canada.

Mr. GUTHRIE: That mainly applies to passengers from the United Kingdom.

Mr. ROBB: Yes, from the United Kingdom.

[Mr. Robb.]

Mr. GUTHRIE: I hardly agree with my hon. friend from West York (Sir Henry Drayton) that the ocean rate has much to do with the number of immigrants that come from Canada. We could get a very heavy immigration to this country, entirely apart from the ocean rate, if we so desired. What stops immigration is the restrictions which we have seen fit, rightly or wrongly to impose upon immigration, and I am satisfied that the ocean rate has very little to do with it. If we come to the conclusion that we want people, selected people, I think we can get them very readily in almost overwhelming numbers. But on the one hand we hear the objection "We do not want artisans and mechanics" and on the other hand we hear continually even in this House "We do not want any more farmers". What class then are we going to get.

Mr. LEWIS: Lawyers.

Sir HENRY DRAYTON: What about Finns?

Mr. GUTHRIE: My own opinion, speaking only for myself, is that we might relax a good many of our present restrictions. We must remember that at all times immigrants to this country come from a class of people who are not wholly successful in their home lands. The successful classes, the contented classes, do not emigrate as a rule. They remain at home. The love of home is implanted in the human breast and operates equally, I think, on all nationalities. It is the unsuccessful, the discontented, those who have more or less made a failure of life, who desire to change conditions; and I think were we to go back to the early days of this country and see some of our own forebears when they originally landed in Canada we would find that they—coming from England, Ireland, Scotland and from the continent—were not the happy, prosperous contented classes of that day, but were just from the same classes who are inclined to leave their home land to-day. But notwithstanding all that, we find in this country and in this age that those who came a generation, or two generations, or three generations ago, did make a success of life and of conditions in Canada, and succeeding generations have improved on the standard of the old days until we have a nation we are proud of on this part of the continent at the present time. My own view is there should be a material relaxation in the restrictions which we have imposed on immigration coming into Canada.

You read in the newspapers, you hear on almost every political platform, and you hear

time and again in this House during every session, that the greatest want of this Dominion to-day is people; we must have population. I have heard leaders of political life in Canada twenty and twenty-five years ago predict, that in ten years we would have from ten to fifteen millions of people; in twenty years we would get probably twenty millions of people, and so on. But how have those predictions been fulfilled? It is over twenty-four years since I entered this parliament, and I am not satisfied with the growth of population that has taken place in that quarter of a century. I do not think any Canadian is satisfied, and there is a consensus of opinion that we want people. There never was an opportunity such as is presented to-day for getting them. The great trouble in the past in getting people to this country was the competition of the United States. Immigrants were drawn there by the tales of prosperity they heard and, of course, by the large population abiding there. Now the doors are closed, the quota law is in effect, and it is most difficult for people to leave European countries and enter the United States. The law will become more stringent as time goes on. Now is our opportunity to choose, to select, to reject if we so desire. But if on the one hand we are told we cannot bring any people into this country to work as artisans or mechanics or labourers, and on the other hand that we cannot bring any in as farmers what are we going to do? What class are we going to bring in, I ask you? I do not believe that the ocean rate has any appreciable effect upon the question of immigration to this country to-day. I have been informed by officials of the department during the present session that if the bars were raised we could bring to Canada any number of people we desired. It is true, there is no doubt about it. But we keep the bars down, and I think the time has come when there should be some very great relaxation of these restrictions.

Mr. MEIGHEN: Has the minister no comment to make? I do not know that there is a more important subject before the people of Canada to-day than the one we are now considering, and yet we have had no discussion on it to amount to anything this session. I should like to know from the minister what classes we could admit to Canada now were we willing? Perhaps I had better put my question this way so as not to embarrass the minister at all: If we raise the bars now in any way what classes would he first admit to this country who are ready to come? The minister understands what I mean. There are certain classes that we all know would come, of course.

Mr. ROBB: My right hon. friend means what classes are ready to come?

Mr. MEIGHEN: No. I know pretty well what classes are ready—some of them anyway. What I want to know is this: If the minister were to raise the bars now, and had his chance of selection, what class ready to come would he first admit who are now rejected. I mean to say were he opening the door just a little who are those now rejected that he would admit?

Mr. ROBB: General labourers, without going into nationalities.

Mr. MEIGHEN: Of what country?

Mr. ROBB: General labourers.

Mr. MEIGHEN: Not all general labourers.

Mr. ROBB: Well, my hon. friend from South Wellington (Mr. Guthrie) was quite right. If we relax the restriction and allow people to come in and take care of themselves —regardless of those who say they do not want any more people on the land and those who say they do not want any more labour to come in—there are many people of all nationalities prepared to come to this country, nationalities that have made good in Canada, that have paid their way, have paid their municipal taxes, and have produced traffic for the railways; a fair type of citizens from Germany, Ukrainia, Galicia and Hungary. My right hon. friend was in the department and he knows the type that come in.

Mr. MEIGHEN: I never was in the department although I have acted as Minister of Immigration. Immigration was not under the Interior department in my time. We will concede, to get closer to the point, that so far as geography goes, and nationality too for that matter, the immigrants we want are those from northern Europe.

Mr. ROBB: Yes.

Mr. MEIGHEN: Because that climate breeds the stock which does best in this northern part of America. Very well, what classes could we get from northern Europe which we do not admit? The minister says there is an agitation against artisans, an agitation against farmers, even, and there is an agitation against the common labourer. Could we get artisans? Could we get the common labourers? I know that the minister

admits farmers. Could we get artisans and common labourers from northern Europe today if the government were ready to open the door wide enough to admit them?

Mr. ROBB: Undoubtedly.

Mr. MEIGHEN: In large numbers?

Mr. ROBB: I should think so.

Mr. MEIGHEN: Would the minister estimate how many a year?

Mr. ROBB: No, I would not go into that.

Mr. MEIGHEN: I am certain that the minister's official, who is sitting close to him, could tell him. That official should know how many per year could be obtained from all the northern countries in Europe.

Mr. ROBB: The way to do would be to take an average of the past few years. My hon. friend knows the average for ten years.

Mr. MEIGHEN: No, that would not answer, because there have always been restrictions. Suppose we were to remove these restrictions on artisans from the northern countries, Poland, Norway, Sweden, Germany, Holland, Belgium and France, about how many would the minister estimate would be ready to come in the first year?

Mr. ROBB: I could not say that, but if my hon. friend wants the record he could refer to the past history. I think they were coming in at the rate of a thousand a day during the peak of immigration prior to the war, and I think at one period over 400,000 a year came in.

Mr. MEIGHEN: Were artisans admitted without limit?

Mr. ROBB: I was not administering the department.

Mr. McMASTER: I do not think there was much limit at that time.

An hon. MEMBER: Fifty dollars a head.

Mr. MEIGHEN: There were restrictions even then on artisans.

Mr. ROBB: The money test.

Mr. MEIGHEN: The minister will say that a very large number of those artisans from northern Europe would undoubtedly come to Canada if the bars were raised.

Mr. ROBB: I believe they would.

Mr. MEIGHEN: What other classes?

Mr. ROBB: I have told the hon. member.

[Mr. Meighen.]

Mr. MEIGHEN: Common labourers.

Mr. ROBB: I presume so.

Mr. MEIGHEN: I presume they would come over in large numbers.

Mr. ROBB: I do not know the conditions over there, but I think they would.

Mr. MEIGHEN: The minister will realize, although he does not say it, that what we need in this country is work for the common labourer and artisan.

Mr. ROBB: I thought my hon. friend was leading up to that; but let me say that during the period, 1911, 1912 and 1913 they were building cities in western Canada, and they required artisans to build railways. They were paving streets and putting in sewers. I think the largest demonstration of unemployed that I ever saw in my life was in Regina in June 1914.

Mr. MEIGHEN: The minister has not travelled far. That was very, very brief, and the minister's experience was limited. It would not amount to anything.

Mr. ROBB: I will admit a limited experience.

Mr. MEIGHEN: He will have more experience, I think, this winter.

Mr. MARLER: The question raised a few moments ago by the hon. member for South Wellington (Mr. Guthrie) regarding restrictions on immigration is a subject to which I think the government and also the House has given a great deal of attention and study. On various occasions, not only in this House but also in the city of Montreal, I have spoken in regard to the subject of restriction relating to immigration. Last year in this House I advocated the open door. Last fall in Montreal I advocated the open door again as regards immigrants who are mentally sound; but in advocating the open door I have always done so having in view at the same time whether, that door being open, there was sufficient work to go around in this country to supply those who did come here with work and with a livelihood. That is the qualification which I always added when I advocated the open door, which I have done from time to time. As to whether these restrictions which exist at the present time should now be raised is a question which to my mind needs the most careful and the most mature consideration, because the emigration from Canada to the United States has been very serious indeed.

Mr. McMASTER: But can we provide work for them?

Mr. MARLER: This matter is so serious that we cannot close our eyes to the figures as they exist, and that emigration would not have taken place, as I have held before in this House, if there had been sufficient work and sufficient remunerative employment in this country to keep those self-same people at home. My hon. friend from Brome (Mr. McMaster) anticipates what I am about to say. Now business in the United States in the past few years has been rising and has reached the peak. It is now going down. Some of these self-same emigrants—not all of them, I do not think even the majority, because I do not believe the majority will ever come back to the country, I believe they are gone forever—are now coming back. They are coming back in considerable numbers. Have we work in this country to supply these self-same men who went away? I question very much if, at the present time we have the work to give them employment. I question very much, if they do come back in large numbers, whether we can give them employment; and an immigration policy to be successful in this country must be based on something a great deal more than merely getting the people into Canada. There must be something here for the people to do when they arrive, and until we realize that fact, and realize it to the full, I do not know that we are doing this country any great amount of good by bringing artisans, mechanics or other classes of people into Canada in large numbers. In addition to that—and I think this is quite germane to the subject—owing to the condition of business in the United States we will have in the next few years sent into this country hundreds of thousands and millions of dollars' worth of goods, to be sold at prices at which we cannot manufacture those goods here, and if we are to allow those goods to come in at slaughter prices—and I am not talking on tariff matters just now—

Mr. ROBB: You are very dangerously near it.

Mr. MARLER: Then I will get off the subject at once.

Mr. CAMPBELL: Will the hon. member tell me if the dumping of slaughtered goods into this country would not reduce the cost of living?

Mr. MARLER: No, it absolutely would not, and it is utterly impossible, it seems to me, for some people to get it into their heads that the more goods that come in here by this means the greater the cost of goods manufactured in this country. That is a question on which we do not all agree, but perhaps I had better not debate it at any great length. It may bring up a discussion similar to the discussion on the banks.

Mr. CAMPBELL: Would the hon. member not apply it to what the farmer has to sell, as well as to what the manufacturer has to sell?

Mr. MARLER: I will not take up that question, but we are going to be faced with the condition where we will have a large amount of American goods coming in. My hon. friends must make up their minds—I have made up my mind and I intend to persist in it—that if these goods come in there will be less work for people to do, and we may as well acknowledge that without question. Let us make up our minds—and I have made up mine pretty well—that we had better start on a solid foundation, and realize that if we want to get people here, it is not a question of restriction or of ocean rates, but it is a question of whether they can get work here.

An hon. MEMBER: They can.

Mr. MARLER: Perhaps they can, and that is the basic question we should decide, and not a question of ocean rates or restrictions.

Mr. WOODSWORTH: We ought to decide whether or not there is room at the present time for more workers, an open-door policy has been advocated on the floor of this House tonight, but this preliminary question should be answered before we decide whether we wish to introduce a larger immigration. A little while ago the hon. member for West Toronto (Mr. Hocken) suggested that any man who was willing to work could earn a living in this country; that the men who had not work were men who were no good. I should like to bring to the attention of the committee a letter which was recently sent out from the city of Toronto by the mayor and board of control to the mayors of other Canadian cities:

Toronto, May 1st, 1924.

Toronto—the second largest city in the Dominion of Canada in point of population—has during the recent winter months passed through a serious unemployment situation, created and prolonged, in very large measure, by reason of an unusually heavy influx of immigrants, chiefly of the unskilled classes in so far as labour is concerned and which could not be readily absorbed in ordinary industrial and trained employment. As the months passed, the conditions of unemployment became more intense until at the present time, when seasonably

there should be few out of work, the reports issued from the government Employment Bureau here are not at all encouraging as a barometer indicative of relief to any appreciable extent in the near future.

The experience of this city has doubtles been the experience of every other city in Canada; just as acute in comparison with population and the volume of employment which could be afforded.

The board of control of this city feel that the time has arrived for the cities of the Dominion to notify both the federal and provincial governments that if they brought immigrants to this country they would have to look after them until they found employment, or in the alternative, that the municipalities insist that it is imperative to adopt a new policy in regard to immigration, if not to entirely put on a speedy stop order. Recent despatches from Europe published in papers throughout the Dominion announced that over eight thousand immigrants would sail from European ports for Canada within the next few weeks to swell the number of thousands now idle for lack of the opportunities to earn a livelihood. On the other hand, thousands of our best trained mechanics are leaving Canada and entering the United States, where work is plentiful and where high wages are being paid. The United States immigration records show a monthly average of 17,000 Canadians entering the United States. In June, July, August and September of last year the figures ran from 16,000 to 18,000 per month. This movement, if maintained, would mean a loss exceeding 200,000 a year.

Mr. NEILL: I rise to a point of order. I did not wish to interrupt the hon. member sooner, because I think he was entitled to reply to hon. members who have also been out of order. But I would draw your attention, Mr. Chairman, to the fact that we are dealing with section 2, the purpose of which is to give authority to an immigration agent to deport at the expense of the transportation company members of a family accompanying a person who has been rejected or who is about to be deported. I do not wish to suggest any impoliteness to the hon. member for Centre Winnipeg (Mr. Woodsworth), and that is why I did not interrupt him sooner before he had read that letter. But the last several speakers have been entirely out of order in discussing, in connection with the question whether members of a family accompanying a person who has been rejected shall be deported, matters in regard to the tariff, and so on.

Mr. GUTHRIE: What about Chinese immigration?

Mr. NEILL: I will discuss Chinese immigration under its appropriate section, but I am not trying to discuss it under a different section or discuss the tariff on a section such as this.

The CHAIRMAN (Mr. Pelletier): I think the point of order is not well taken and the hon. member may proceed.

[Mr. Woodsworth.]

Mr. WOODSWORTH: I would not object to stopping on a point of order, because I am inclined to agree that the point is well taken.

Mr. NEILL: I think I will appeal.

Mr. WOODSWORTH: But since this question has been raised at this juncture I could not let go unchallenged the statements which were being made. Right across the country from coast to coast at the present time are coming resolutions with regard to the bad conditions that exist. I have them from Port Arthur, the border cities, my own city of Winnipeg and points further west. Within the last day or so I was forwarded a resolution as far east as Sydney Mines, urging that something be done:

To relieve the distress amongst our women folk and starving children, as we have not had one day's work since 1st May. They managed to keep the mine open on 1st May, then closed her down although the government had an order for 1,400 tons per week from our colliery.

Such reports suggest that we are really faced with a serious condition across the country. For the past two years officials at Winnipeg have come down urging that if the government persists in its policy of dumping people in Winnipeg without there being any possibility of work, the government must accept the responsibility of caring for those people. At the present time meetings of unemployed men are being held on the market square of the city of Winnipeg. I had an interview only a few days ago with the mayor of Winnipeg who was visiting the capital on other business, he referred to the serious situation which prevails at present in that city with regard to unemployment. It does not seem reasonable that this government should continue to import people into these very centres which are keeping people on charity. If there is any further discussion with regard to opening wide the doors, we ought first to consider the condition of the people at home. I am not opposed to immigration; I am not opposed to people coming to Canada and taking their chance; but I do oppose assisted immigration which is often bringing in people who are not fitted for the country, who have not even sufficient to pay their way to Canada and who, therefore, have not sufficient to get a start. I oppose further the spending of large sums of money through the Immigration Department in spreading abroad literature that, whether or not it may be technically true, gives a false impression to those who have no previous knowledge of conditions which prevail in this country.

Mr. ROBB: I am inclined to agree with both the hon. member for Comox-Alberni (Mr. Neill) and the hon. member for Centre Winnipeg (Mr. Woodsworth) on the point of order, but I have no desire to stop the debate. It is quite interesting. And I am not going to prolong it more than to say this to my hon. friend who has just told us of conditions of unemployment which prevail in Winnipeg. I have also some record of the unemployment situation in Winnipeg and it is about up to date. In the Toronto Globe of July 3, this item appears:

> The Winnipeg strike ends. The strike of the Winnipeg bricklayers and stonemasons which was called on Monday ended abruptly to-day when an agreement was reached with the employers which will bring the union scale of wages to $1.25 an hour.

These men were being paid $1.15 an hour, and when they got the employers started and the buildings partly up, they demanded an extra ten cents an hour. They are now being paid $1.25 an hour. How are you ever going to get down the cost of rents to the people of this country when you are paying men that scale of wages?

Mr. WOODSWORTH: I would submit that that is another matter altogether and has nothing to do with the unemployment situation. I was discussing unskilled labour which is to be found in such large numbers with no work. If the minister wishes to enter upon the question, I could point out that stonemasons and bricklayers are highly skilled craftsmen and in the West they are employed often for only four, five or six months of the entire year. Throughout the years in the past there has gradually developed for bricklayers and stonemasons a much higher scale of wages than that which prevails in any other section of the building trade and much higher than in any other section of the ordinary mechanical trades. Further than that, I would point out that although $1.25 an hour seems a high wage, it is not nearly so high a wage as has been paid in the building trades just south of the line. This has had the effect of depleting the ranks of our mechanics in Winnipeg, almost every one who can get out going south to Chicago and Detroit. So far as building homes is concerned, let me point out that the question of wages constitutes only one of the vital facts; the enormous ground rent that has been charged, by which a great many people through inflation of land values have made fortunes in Winnipeg and in most of the other cities in the West, is a larger factor in the situation than the wages paid mechanics.

Mr. GUTHRIE: I do not want it to be inferred from anything I have said that I consider the present a particularly good time to bring labourers or artisans into Canada. I realize as everyone else does that there is to-day especially in the cities a great deal of unemployment. We all regret this but we recognize the fact, and I do not suggest that the present is the most opportune moment for pursuing a vigorous policy of immigration; nor would I think the autumn of the year favourable under any circumstances, spring being much preferable. As regards the situation in Winnipeg, I have no doubt that a large part of the congestion there, in regard to labour, arises from the fact that so many of the immigrants who do come to Canada to-day are brought across the continent and practically dumped in Winnipeg. There they are supposed to await farm labour, or they are supposed to become farmers there themselves. My information is that a very large proportion of these people simply remain in Winnipeg, and if that system is persisted in the conditions will become worse instead of improving there. My own view is that immigration as it lands should be more spread out than has been the case in the past. I had the benefit of an interview with some of the immigration officials of the Canadian Pacific Railway one day last week and I also saw a representative of one of the American shipping companies. These officials told me that to-day you can obtain from northern Europe, not only in the countries enumerated by the leader of the opposition (Mr. Meighen) but in such places as Poland, Czecho-Slovakia, Esthonia, Ukrainia and parts of Austria, a splendid class of immigration. The people want to leave those parts of Europe and as they cannot go to the United States there are only two alternatives now open to them, namely, South America and the Dominion of Canada, because they do not very readily take to the idea of going to Mexico. This I submit is Canada's opportunity, and so great is the desire of people to come to Canada that we can pick and choose, taking the best and rejecting the undesirables. I do not however suggest that the present is the opportune moment to bring these people; I do not suggest that as unemployment becomes acute we should bring in more immigrants to add to the army of unemployed which we already have with us. But surely there will be a time when this country will welcome a tremendous immigration. I have heard it stated by United States officials that a country can absorb annually without inconvenience 5 per cent of

its population by way of immigration. If our population is nine millions at present then four hundred and fifty thousand a year would be the maximum that we could absorb in immigration. These figures are based on the experience of the United States, but I fancy that they would apply to this country as well. I am satisfied that we shall not reach anywhere near that mark this year; indeed, I doubt whether we have ever come near it. I think however that we should seriously consider the question. We all seem to agree on this point, that we want more people in this country. I doubt whether we are retaining to-day the natural increase of the country, and immigration is the greatest need of Canada. Now that the opportunity has come through the operation of the quota law in the United States, which enables us to pick and choose our immigration, let us see to it that we do not miss that opportunity but that we shall at the right moment make a wise selection.

Mr. HOCKEN: I would suggest to the minister that some extraordinary efforts be made to bring out young boys from sixteen to twenty and place them on the farms of Canada. Some hon. gentlemen are suggesting that these boys are no good. I do not agree with that. I know as a fact that a certain British society brought out 200 boys to this country and as a result of the placing of 40 of them on farms in Carleton and adjacent counties applications were made for 200 more. The farmers when they saw the kind of boys that had been brought out were glad to take steps to have more brought out. A boy between sixteen and twenty could remain four or five years on a farm, and if he had reasonable intelligence he would be a fair farmer by the time he came of age. More than that, if he remained that length of time on the farm he would have become accustomed to farm life and would no doubt desire to acquire some land for himself. If he were placed with a man of good repute and of ability as a farmer he would be trained not only in this desirable occupation but he would have a moral education as well; he would lead a good social life and become a creditable citizen. According to the statistics that have been presented to me there are hundreds of thousands of boys of this age in the Old Country who find it extremely difficult to get work there. I am told that most of the trades unions in the United Kingdom compel the employer to pay to a boy over sixteen years of age a man's wages. That is done in order to prevent boys from displacing men and it makes it impossible for young fellows of seventeen and eighteen to get work. There are therefore available any number of boys who could be brought out here and trained as agriculturists and put in the way not only of doing well for themselves but of adding materially to the prosperity of the country. I would urge the minister to have a thorough investigation made into the conditions I have mentioned with a view to bringing out, not a few hundreds, but ten or twenty or a hundred thousand boys and properly placing them with people who would give them the right sort of education in their lifework and bring them up under wholesome influences so that they might become good citizens.

10 p.m.

[Mr. Guthrie.]

Mr. LEWIS: Are we to infer that boys of over sixteen who are given men's wages in the Old Country will receive men's wages when they come here?

Mr. HOCKEN: I do not think that boys would expect men's wages here, because they would not have had the training.

Mr. LEWIS: Would they get any wages at all?

Mr. HOCKEN: Oh yes, they do get wages when they come out because one of the stipulations of the society in placing them is that they shall receive some compensation. More than that, before any boy leaves the Home there is a place for him to go to. His parents know where he is going; they are in correspondence with him from the very day he lands here so that they are able to keep track of him and he keeps track of his relatives. Under the operation of this plan I think the very best results ought to be obtained. I do not say that a boy coming out here should get a man's wages; he should not. He is learning something. He is serving an apprenticeship, but he is getting a good living; he is learning a trade and he will not go hungry or without clothes. He will also have a certain amount of social life that will develop him as the kind of citizen we want in Canada.

Mr. NEILL: I rise to a point of order. Under the happier auspices of your presence, Sir, and encouraged by the support I got from the hon. member for Centre Winnipeg (Mr. Woodsworth) and the Acting Minister of Finance (Mr. Robb) when I raised the question previously, I submit that this discussion is out of order. We are dealing with section 2 of the bill, which is confined entirely to the question whether this government can compel a transportation company to deport the family of a deported man. I have no wish to curtail the expression of

views on the part of hon. gentlemen, but I wish to see the work of the session gone on with.

The CHAIRMAN: Rule 13, section 5, says:

Speeches in committee of the Whole must be strictly relevant to the item or clause under consideration.

The general principle of the bill may not be debated upon a section. In my opinion the point of order raised by the hon. member (Mr. Neill) is well taken.

Sir HENRY DRAYTON: Under what circumstances would the transportation company be compelled to return members of a family?

Mr. ROBB: Where one member of a family is suffering deportation it might work a hardship to send that one member of the family back without the others—a younger child, for instance. It may be extremely desirable that that person be deported—it may be a case of tuberculosis, trachoma or something against which we wish to protect our people. We are going to ask the transportation companies to see to it before these people embark for Canada that they are a fairly healthy family, and if they are not the company is to take all the family back.

Section agreed to.

On section 3—Permit to enter Canada or to remain therein.

Mr. NEILL: I have two or three small amendments to submit to this section. I suggest to the minister that the word "legally" be inserted after the words "or having" in the fourth line on page 2. That is to ensure that the man will have landed legally in the first place.

Mr. ROBB: I would point out that the definition of "landed," as set out in clause 2 of the act, is as follows:

"Land," "landed" or "landing," as applied to passengers or immigrants, means their lawful admission into Canada by an officer under this act, otherwise than for inspection or treatment or other temporary purpose provided for by this act.

So my hon. friend's amendment is quite unnecessary.

Mr. NEILL: If that is the interpretation of the word "landed" I will omit that amendment. I suggest also two other amendments: First, that after the word "only" in line 8 the words "not exceeding six months" be inserted, so that it will read:

Such permit shall be in the form A of the schedule to this act, and shall be expressed to be in force for a specified period only, not exceeding six months.

That is to put some reasonable limit to the operation of these permits, which are of a very loose character in any case. The third amendment I suggest is that section 3 be amended by adding at the end thereof the following words:

A return of all such permits, with particulars and reasons therefor, issued during the year shall be made by the minister to parliament within ten days of its meeting.

That is simply to follow the example that we have in a great many other acts, where exemptions applied in the discretion of the minister shall be given the necessary publicity by their reference to parliament at the next ensuing session. I presume that these amendments will have to be put singly.

Sir HENRY DRAYTON: With regard to my hon. friend's amendment limiting the period of the permit to six months, I would point out that the six months' period, according to the section, may at any time be extended by the minister in writing. In order to attain the object my hon. friend has in mind he will have to put the words "not exceeding six months" after the word "writing."

Mr. NEILL: I will ask that that change be made.

Mr. ROBB: The commissioner points out that when you give a man a permit you lift him out of the immigrant class, so that the period whereby he may acquire domicile does not count while the permit is in force. That is the reason for the permit.

Sir HENRY DRAYTON: What does the minister say about the six months?

Mr. ROBB: I do not see why we should be limited to that. I think we can trust the government of the day to administer it fairly. I would rather my hon. friend would not press the amendment.

Mr. GUTHRIE: My experience has been that the permit system is rather a good one. In the cases in which permits have been granted in the county in which I reside they have been granted, I think, for a year. I know one or two cases where, after a year, an inspector of the department has come to the city of Guelph, made full inquiries, found the probationer has done well, and has allowed him to remain. I think the minister should be given discretion to grant a permit for as long as he desires. It only applies to doubtful cases, and if a man has made good, and the permit is only for a year, as they are now being granted, I see no reason why the immigrant should not be permitted to remain.

Under this clause, could the minister give a permit for the entry of a Chinese? The language is pretty broad. Of course, the Chinese Exclusion Act is in force, but the section says the minister may issue a written permit authorizing any person to enter Canada.

Mr. ROBB: The Chinese are governed by a special act.

Mr. GUTHRIE: But under this section permits might be granted to Chinese to enter.

Mr. NEILL: Under section 79 of the Immigration Act, it is specially provided that where its provisions do not conflict with the Chinese Immigration Act, they shall apply as well to persons of Chinese origin. So as the hon. member for South Wellington says, this section would give the minister power to allow any man, black, brown, white or yellow, to come into this country and stay for any unlimited period. There are no limitations whatever. The hon. member for South Wellington says, it may only be used in doubtful cases, but it can be used in any case whatsoever. It is a very wide and a very drastic power to put into the hands of any minister. The hon. member for South Wellington said that the time might come, if it had not come yet, when we should lower the bars of immigration, but you do not need any further reductions when you have this. This gives the minister a perfectly blank cheque to sign. All he has to do is to write at the bottom and he can let anyone in for two, three, four or five years, without any question whatever, without any qualification, without any appeal. He may issue a written permit authorizing any person to enter Canada, or having entered to remain therein, without being subject to the provisions of this act. As I have said, it applies equally to the Chinese also, and I do think it is not asking too much to restrict the power in such a very moderate way as I have suggested. It is not even restricting the minister's powers; it is only limiting them to this period. There is nothing to prevent him at the end of six months from renewing that permit for reasons validly given. What I would suggest as an improved amendment—it is really the same thing—is to add after the word "writing" the words "the whole of such period, including extensions thereof, shall not exceed six months in all." I am willing to leave it, of course I must leave it, to the judgment of the House, but I fail to see where any harm can be done by inserting this amendment.

[Mr Guthrie.]

Sir HENRY DRAYTON: I think I know cases that the hon. member for Comox-Alberni has reference to, and there is a great deal in what he says; but there is another kind of case which affects us more down here in the East, and which probably would be adversely affected by the application of that principle without any qualification at all. I have in mind the case of a young man from Germany, who had no proper entry into Canada; he was here on probation. It developed that he knew all about dyes and was an expert tanner. He is now engaged in introducing a new process of tanning hides. The minister has given him the right to stay here for a year for the purpose of completing this work. I think it is good the minister had the right in that case.

Mr. NEILL: I do not deny giving him the right, but with some limitations.

Mr. ROBB: I think my hon. friends are unduly alarmed. The practice of the department for many years has never been to give a permit for more than a year at a time, and generally it is for a much shorter period; so I think my hon. friend is placing unwarranted restrictions upon those whose experience has satisfied them that this is the proper thing.

Sir HENRY DRAYTON: Are they ever used in case of the Chinese? That is the real difficulty.

Mr. ROBB: Not that the commissioner can recall at the moment.

Mr. NEILL: I would ask the minister if this section we are discussing is not the only possible way by which the presence of these Chinese in Nova Scotia can be justified? Their presence can be justified under no other section that I know of.

Mr. ROBB: The Chinese Immigration Act neither permits nor prohibits what has been done in the case of those men on the Atlantic coast. But may I point out that those men were not landed in Canada. They are working on the ships and a bond of $105,000 was given that they would not land in Canada, but would be returned. I am not so sure that it is a detriment to the people of Nova Scotia who are working in the mines producing coal to have these Chinamen working on these boats if that means the boats can run and carry that coal to market. We looked into the McDonald case my hon. friend brought up very carefully, and found that there had been a misunderstanding and that McDonald had been reinstated and was quite satisfied.

Mr. NEILL: The minister has told us that these Chinese were not brought into Canada. Therefore, they are not in Canada now?

Mr. ROBB: They were not landed in Canada.

Mr. NEILL: Then how did they get on the boats they are on now from the Cedric which brought them here? They must have landed on the wharf, and they are now in Canadian boats, in Canadian waters, travelling between Canadian ports. If they are not in Canada, where in God's name are they?

Mr. ROBB: I will read again to my hon. friend the definition of "landed" in the act:

"Land", "landed" or "landing", as applied to passengers or immigrants, means their lawful admission into Canada by an officer under this act, otherwise than for inspection or treatment or other temporary purpose provided for by this act.

Mr. GUTHRIE: I would think, Mr. Chairman, that even under the language quoted by my hon. friend, these men are landed in Canada. They are in Canadian territory, and under our jurisdiction in every way. They are here undoubtedly.

Mr. ROBB: Does my hon. friend object to that?

Mr. GUTHRIE: I would prefer they had been excluded. My only object in mentioning Chinese immigration under this section is that I think it should be amended to make it plain that this act shall not over-ride or come in conflict with the Chinese Exclusion Act. We have an act that excludes Chinese immigration, and I am heartily in accord with the provisions of that act. I do not think it would be proper to pass another act to permit the minister to do what the Chinese Exclusion Act says he shall not do. I think there should be a limitation to this section, to the effect that it shall not come in conflict with the Chinese Exclusion Act.

Mr. ROBB: We never attempt to do that, and I venture to say that since the act of last year came into force it has been fairly administered. As regards these men who come in on the Atlantic coast, if this government is wrong, every government for the last ten or fifteen years has been wrong.

Mr. GUTHRIE: The fact that we have done wrong hitherto does not justify our doing wrong now. I understand that it is the conviction of the great majority of this House that Chinese immigration should be absolutely excluded from Canada. That is the sense of the Chinese Exclusion Act. We used to allow them in on payment of a poll tax. We stopped that.

Mr. NEILL: Hear, hear.

Mr. GUTHRIE: I do not take it as good legislation, I do not think it is logical to exclude them by one act and allow the minister to admit them under the clause in another act.

Mr. ROBB: If my hon. friends had made a careful study of the act we would have less of this debate. Now the section which bears on this matter reads:

All provisions of this act not repugnant to the provisions of the Chinese Immigration Act, 1923, shall apply as well to persons of Chinese origin as to other persons.

Sir HENRY DRAYTON: That is what is objected to. That makes good the point raised by the hon. member (Mr. Neill):

Mr. ROBB: Not at all.

Sir HENRY DRAYTON: Yes, because as I followed his reading the section says it shall apply.

Mr. ROBB: The provision shall apply but if the Chinese Act excludes them it does not apply.

Sir HENRY DRAYTON: I suggest that if a provision of this kind is inserted it will meet the case raised by the hon. member for Comox-Alberni:

The provisions of this act shall not in any instance extend the rights of any immigrants subject to the provisions of the Chinese Immigration Act.

That is a plain short declaration.

Mr. ROBB: When we come to section 29 we will consider that.

The CHAIRMAN: What about the amendment limiting the time of the permit to six months?

Mr. ROBB: I would rather not accept that.

Amendment (Mr. Neill) negatived.

Mr. NEILL: I have another amendment and I do not think the minister will find it in his heart to object to it. It is one found in a great many of our laws, and in every one of these cases where extraordinary powers are given to the minister. It is simply that he shall present a record of his transactions in that regard to the House annually within ten days of the meeting of parliament.

The CHAIRMAN: It is moved by Mr. Neill that section 3 be amended by adding thereto:

A return of all such permits, with the reasons therefor, issued during the year shall be made by the minister to parliament within ten days of its meeting.

Mr. ROBB: Would my hon. friend make the period 30 days?

Mr. NEILL: Yes.

Amendment agreed to.

Section as amended agreed to.

On section 7—Medical treatment.

Mr. GUTHRIE: Section 7 provides as follows:

Section thirty-four of the said act is repealed and the following is substituted therefor:—

A passenger or other person seeking to enter Canada or who has been rejected or is detained for any purpose under this act, who is suffering from sickness or physical or mental disability, may whenever it is so directed by the deputy minister or officer in charge be afforded medical treatment on board ship or in an immigrant station, or may be removed to a suitable hospital for treatment—

And so on. The whole cost may be charged to the transportation company. Now the present law provides as follows:

If, in the opinion of the Superintendent of Immigration, or of the officer in charge, the transportation company which brought such person to Canada failed to exercise proper vigilance or care in so doing, then the cost of his hospital treatment and medical attention and maintenance shall be paid by such transportation company—

There is a vast distinction between the section as it stands in the act to-day and the amendment which is now proposed by the minister. The amendment simply provides that if any passenger reaches a Canadian port and happens to be afflicted by any mental or physical disability all the cost of his hospital treatment or nursing, if such is necessary, shall be charged to the transportation company whether that company has been at fault or not. Let me draw to the attention of the minister the case of a man landing in a perfectly healthy condition at the port of Halifax and suddenly being taken with an attack of appendicitis. Why should the transportation company be put to the cost of medical treatment, hospital treatment, or nursing treatment of that patient? The law as it stands to-day provides that the transportation company shall be liable if they have not been vigilant, if they have been careless in permitting a passenger to come on board their ship; but the amendment simply imposes upon the transportation company the full obligation of caring for these people no matter what the ailment may be. Why, if a man breaks his arm on board ship under this clause the transportation company would have to pay for everything. If a man contracts pneumonia by exposing himself in inclement weather the transportation company, under this clause, must bear the whole cost of that patient's treatment, notwithstanding the fact that these patients when embarking or going on board ship in the first instance were perfectly healthy, were perfectly well and had no ailment that could be ascertained by medical or other examination. I think the clause as it stands to-day should remain in the statute books. If a shipping company has been careless, if its medical officer has been careless, if it has been imposed upon, if it has been neglectful then I think it should pay and that is the law to-day. But to render it liable in every case is going beyond the realm of reason in my humble opinion, and I would ask the minister if he can give the committee some reasonable excuse for the proposed change. Why should the transportation company—having acted vigilantly and carefully, having had its passengers medically examined—now be asked to pay for the medical, hospital and nursing treatment of a man who takes sick after the voyage say from an attack of appendicitis or pneumonia, or who suffers a broken arm or a broken leg?

Mr. ROBB: My hon. friend is a clever lawyer and he is building up another straw man for the purpose of knocking it down. He knows that in actual practice cases of appendicitis and pneumonia, or broken arms, are very rare among the immigrants. Now in order to get business the companies go out and sell transportation to Canada, and we are adopting these restrictions as a warning to their agents so that they will be a little more careful in the selection of the people they send to Canada. If the agent gets a commission of £1 10s. and shuts his eyes to the medical unfitness of the person to whom he sells transportation, why should the people of Canada be called upon to pay for the maintenance of such persons while they are here? Let us look at the experience of the past. In 1922-23 these payments were made:

Transportation companies..	$40,832
Government..	2,917
Immigrants..	6,795

In 1923-24 there was a little more business. The payments were as follows:

Transportation companies..	$68,865
Government..	3,980
Immigrants..	2,577

Under this law all we are proposing to place upon the shipping companies is the addition of the amount that was previously paid by the department and by the immigrants which would be in 1922-23 $9,712, and in 1923-24 $6,557, on a considerably increased business. The total cost—not the additional cost—paid on the passengers they carried was less than twenty-five cents a head. I think it is quite fair that the transportation companies who are making profits out of the business should pay for it.

Mr. GUTHRIE: The transportation companies of course are making a profit; but we want the immigration, and the law as it stands is so equitable that I see no reason to change it. The law provides that if the transportation company is to blame it shall pay, and if it is not to blame the passenger pays for his own medical bills, and if the passenger has no money the government pays. The minister proposes to put the whole burden on the transportation company, whether it is to blame or not. Surely one has only to state a case of that kind to show how unreasonable it is. This is the actual proposal of the minister, and the answer is that it only amounts to twenty-five cents a head. I would like to know under what circumstances the government will pay the medical bills of any other class in the country. They will not and they should not pay such bills. If the passenger has the money he should pay his own medical bills, and if he has not the money under the present law the government will relieve him. But why saddle the transportation companies with all the cost? They are not to blame No matter how careful they are, accidents will happen. The minister has not given a reason for changing the present law. It is sound and backed by principle and reason; the amendment proposed is entirely without reason and without justice.

Mr. MILLAR: As the law stands at present, are we safe in inferring, if an immigrant suffering from a disease is allowed to pass an examination and brought to Canada, that either the transportation company or the government are responsible? The minister will know to what concrete case I am referring.

Mr. ROBB: I think under the case my hon. friend has in mind the transportation companies are wholly responsible. Is that the case of trachoma?

Mr. MILLAR: Yes.

Mr. ROBB: Yes, the transportation companies are wholly responsible.

Mr. ROSS (Kingston): I have read the amendment three or four times and it looks pretty severe. The government's official can go in when the boat lands, take a patient, and decide where the government will place that patient, and whether the transportation company is responsible for the illness or not. The government official has a right to decide where a patient will be placed, and then compel the transportation company to pay the expense. That is rather drastic, it seems to me, if I read the amendment correctly.

Mr. ROBB: It is in keeping with the other clauses which impose the deportation charges upon the company. Let us bear in mind that we are here to look after the interests of the people of Canada. There are some companies that will deal fairly and look after these matters; but I say frankly to my hon. friend, that there are other transportation companies that the department has to keep its eye on all the time.

Mr. ROSS (Kingston): I do not think the amendment is just to the companies who do play fair.

Mr. ROBB: They will look after themselves on the other side.

Mr. ROSS (Kingston): The illness may have nothing to do with the other side.

Mr. ROBB: That is very rare.

Mr. ROSS (Kingston): Still it is easy for the government to protect the immigrants and take care of them, without being unjust to the companies. The present law protects them, but it seems to me rather drastic for the government officials to have the power to come in, take a patient, decide where they will place him and then say that the transportation companies shall pay their bill.

Mr. ROBB: We are anxious to see that the transportation companies are not unduly taxing the people of Canada.

Mr. BOYS: I suppose the transportation companies are familiar with this proposed change?

Mr. ROBB: Yes.

Mr. BOYS: Have they objected to it, and if so to what extent? Do they all object? As far as I have been able to understand it I agree with the hon. member for South Wellington, (Mr. Guthrie). It seems to me manifestly unjust to hold a transportation company liable when they are guilty of no neglect whatever.

Mr. ROBB: There has been no considerable objection to this section. My hon. friend knows very well that the transportation companies object to every additional charge that is put upon them. All they are looking after particularly is getting earnings for their steamships. If we were running steamships probably we would do the same thing. But we are here to look after the interests of the taxpayers of Canada, and any transportation company that is careful in its selection of passengers brought to Canada will not suffer any undue burden under this section.

Sir HENRY DRAYTON: My hon. friend does not so limit it at all. If we are to treat this matter logically, with a view to seeing what ought to be done, we will go back and see what the present law is, and find out what is wrong with it. The present law really makes these companies liable, as I see it, in every case of negligence.

Mr. ROBB: This has been the United States law for some years. Under changed conditions vessels that were formerly plying to New York are now running to Canadian ports. We are not putting them under any greater handicap than they had been under when running to United States ports.

Sir HENRY DRAYTON: I was wondering what would be the fair thing, and I am not concerned with American laws, because I think some of them are unjust. I do not think they help the American taxpayers, and, on the contrary, they add to the burdens of the taxpayers. You can have foolish restrictions that do not help anybody.

Mr. ROBB: I admit that.

Sir HENRY DRAYTON: Is not the present law that the company is liable to look after everybody in cases where there has been negligence? Is there any doubt about that? I do not think there can be any doubt about that, from what I have heard this evening, and it has not been contradicted by the minister up to date. If there is no doubt about that, I take it the proposition is that the company is to become insurer of people's health. It must be either one thing or the other. Are they to become absolutely the insurers of health?

Mr. ROBB: I am not sure that that is a fair way to put it.

What is really intended was that they should be more careful in their selections.

Sir HENRY DRAYTON: I am content to go absolutely to the full extent. Put it in any way you like, as to diseases originating or troubles originating that they ought to have known about. But we have to take the act as we find it. Under the act as we find it, so far we have reached this point that the companies are liable if there is any negligence of any kind. Under the proposed legislation they are to be liable without negligence of any kind; they are to become insurers. Are they absolute insurers? Are they insurers against the action of my hon. friend's department? One has only to ask the question to see how ridiculous the answer would be if it was answered truthfully according to this section.

[Mr. Robb.]

Mr. ROBB: Would there not be negligence at least to a degree on the part of a booking agent who sold a ticket to a person who could not pass the medical examination when he reached this country?

Sir HENRY DRAYTON: I would agree with that immediately.

Mr. ROBB: These people are not properly in charge of the department until they are passed by our medical examiners at the port of entry in Canada.

Sir HENRY DRAYTON: I agree with that, but that is not what the section says at all. I will go back to my old query. Are the transportation companies to be absolute insurers? Are they to be insurers absolutely when these people are in the hands of the department?

Mr. ROBB: They are not in the hands of our department until they pass our medical examiner at the port of entry in Canada.

Sir HENRY DRAYTON: The section reads:

> A passenger or other person seeking to enter Canada or who has been rejected—

He is to some extent in the hands of the department.

Mr. ROBB: Not at all. He has been rejected.

Sir HENRY DRAYTON: Let me read a few more words:

> —or is detained for any purpose under this act.

That detention is a detention worked by the department. That detention is something which has absolutely nothing to do with the steamship company. That detention may continue, under the permits and other things we have in this legislation, for six months.

Mr. ROBB: That detention might be for the benefit of the steamship company. The department might decide at once that they would deport the man, but they might allow a reasonable detention in order to find out if they would admit him or not.

Mr. ROSS (Kingston): Supposing the case is a proper one, the man being sick, but later on he passes. He has been detained. The transportation company have fulfilled their duty and the detention may be an improper one, but it has been carried out under the act.

Mr. ROBB: May I remind my hon. friend of this, that if the passenger comes to Canada perfectly fit, he is admitted at once; we are glad to get him through the immigration

quarters and started on his way wherever he is going to establish himself in Canada. But if the transportation company who sold him his ticket have been negligent or careless to the degree that they have sold the ticket—

Sir HENRY DRAYTON: That is the existing law.

Mr. ROBB: —we are placing the responsibility upon them.

Mr. BOYS: The minister has already told the committee that he had cases last year and the year before. I think he said $2,000 odd and $6,000 odd. In other words, where the company was negligent under the existing law, the company paid. Where the company was not negligent, that fact being established, I presume, after an inquiry, the department paid. Why did the department pay the $2,000 odd and the $6,000 odd which the minister referred to a moment ago? I presume it was because on inquiry it was found that the transportation company had not been guilty of negligence. If that be so, I would ask the minister on what ground he now undertakes to hold the transportation company liable if they are not guilty of any negligence, carelessness, or wrongdoing of any kind? For example, a passenger is admitted in perfectly good health. Perhaps during the voyage he develops disease. Why, under those circumstances, should the transportation company be held responsible. What has given rise to this change?

Mr. ROBB: My hon. friend has just touched the point. It is the diversion of steamship business that formerly would go to the port of New York where, for years, the transportation companies have been paying on this basis. Now, that they are coming to Canada, why should we put them in any better position than that in which they have been in the United States? They have been perfectly satisfied with that.

Mr. BOYS: It was considered proper before that the guiding principle should be one of negligence, and that appeals to me. If they are guilty of negligence, they ought to be responsible; but if they are not, it is hard to see how they should be held responsible, and I do not think it is a good argument to say that some other country treats them differently. The more burdens you impose upon them, the higher become the freight and passenger rates.

Mr. ROBB: No.

Mr. BOYS: What were the amounts that the department paid out?

Mr. ROBB: In 1922-23, the department paid $6,795. In 1923-24, that was reduced to $2,577, although there was more business. That shows that the transportation companies have been more careful and they will be still more careful if we put the whole responsibility upon them.

Mr. BOYS: Personally, I am with the minister in exerting every effort to make them careful. My sole point is that if they are not guilty of negligence, it is not fair to make them pay. As regards the $6,795, no doubt in the first instance the transportation company was held to be guilty of negligence, and after an inquiry was made to find out whether it was guilty of negligence, it was found that it was not, and therefore the department paid. If so, why should this change take place? If any good reason is given for the change, I will accept it at once; but if no good reason is shown, it is unfair to any transportation company. It is simply placing upon the company a burden which it should not be asked to bear and in the end, with other burdens, it is increasing the cost of transportation, freight and passenger charges to the people of this country.

Mr. ROBB: May I repeat again that the total cost last year was less than 25 cents a head? Who has made any money in any way out of these people prior to the time when they have passed the medical examiner and entered on their way to Canada? I will answer that myself. The transportation company, as my hon. friend knows. Why then should the transportation company not be held responsible?

Mr. BOYS: In the first place, we are seeking immigration and we want the companies to assist us in getting immigration. If they in their assistance, do anything wrong, they should be held responsible; but if in cooperating with the department in securing immigrants, they do nothing wrong, on what proper basis can you hold the companies responsible? That is my point.

Mr. ROBB: We are paying a great deal of money to advertise the advantages of this country and that is of advantage to the transportation companies. Why should they not share up to this extent? Why should they put up a fight against this?

Mr. BOYS: They are doing more than paying their share. The minister's figures indicate that they paid $60,000 where we paid $6,000. I am not asking that they should not be called upon to pay their share so far as that

is concerned. This is purely a question of negligence. It is not a question whether it costs 25 or 50 cents or a dollar a head; it is purely a question of principle.

Mr. ROBB: It is on the principle that the Immigration Department places the responsibility on the transportation company in regard to the persons whom they transport to Canada. The transportation company are the only people who have made any money out of the business until the intending immigrant reaches the port of entry in Canada.

Mr. BOYS: Therefore, no matter how careful the transportation companies are, no matter how much they co-operate with the Department of Immigration, if they are guilty of no negligence or carelessness whatever, but a disease or trouble of some kind develops on the voyage, they are held responsible. I should think that is a change which might, to some extent, check the ardour of any transportation company, and in that way it would not enure to the benefit of Canada.

Mr. MILLAR: This legislation may or may not go too far, but a case which I had to deal with very recently inclines me strongly to the belief that we require some more advanced legislation than we have had. Let me point out what a hardship it means in the case of a certain Polish woman whom I know about, who saved money for some years and sent out for her sister who it was discovered afterwards was suffering from trachoma. This was only a few weeks ago; I have seen the minister several times on the subject and he has done his best. But the girl had to be deported. Another hundred dollars was spent to see that she should receive proper medical assistance. Now, here is an amount of hundreds of dollars which this woman spent to get her sister out here all the way from Poland and as a result of this disease she had to be sent back to her former home. This is a very great hardship and while theoretically there may be something in the objection that has been raised, I believe that some legislation is required to prevent steamship companies from bringing out people who eventually have to be turned back.

Sir HENRY DRAYTON: The effect of this legislation is to make the steamship company a sort of insurance agency. Will the minister tell us what the theory is that exempts the passenger from liability for his own illness and makes the company responsible?

[Mr. Boys.]

Mr. ROBB: The transportation company knows the regulations that are in force in this country and it is more than possible that the passenger does not.

Sir HENRY DRAYTON: And that is the reason why a passenger who is taken ill should get free medical treatment. That is a truly unique principle to set up.

Mr. ROBB: The transportation company sell him his passage to Canada and they are the only people that make any money out of it up to that point. This will be an additional obligation on the companies to advise people to whom they sell tickets just what the regulations are. The hon. gentleman need not fear that it will keep immigrants from coming to Canada, because the whole thing will mean less than 25 cents a head.

Sir HENRY DRAYTON: Why would the companies want to advise people? Does the minister think that the transportation companies are going to go out and say to people, "You had better all come out, because if you get ill we shall have to pay your bills"? But let us take the minister's statement, that the company is the only one that is making any money out of the business. I will not suggest, by way of illustration, hon. members travelling on the train on their way west, because they travel on passes; but let us take any one else who has to take a railway journey. Now, there is no difference in principle between a railway journey and a steamer trip so far as this particular question is concerned. The minister's statement is that the company is the only one that is making any money out of the transportation of immigrants; but there is no difference in principle between a movement of immigrants on sea and on land, and if the steamship transportation company is to be made the guarantor against the illness of passengers, why not carry the same principle into the carriage of passengers by railway companies? A man develops appendicitis at sea and under this legislation he is taken to a port, placed in a hospital and is attended by a doctor. And the transportation company has to pay the bill. The minister cannot point to any exception in this provision; the company must pay the cost of the operation even if the trouble developed on the ship. Why should the company be compelled to pay the bill in this case any more than a railway company should be obliged to pay the expense in connection with an operation for appendicitis performed on a person who has developed this complaint on a railway journey? In both cases the company makes money out of the passage. What is the distinction?

11 p.m.

Mr. PUTNAM: Does it weigh with the hon. member, that the onus we impose on the transportation company is no more severe than that which is enforced by our American cousins?

Sir HENRY DRAYTON: Not in the slightest.

Mr. PUTNAM: It does with me.

Sir HENRY DRAYTON: It may with the hon. gentleman because he is supporting the bill, and I do not suppose he has even read it.

Mr. ROBB: If we allowed everybody to come in without medical examination the hon. member's argument would be sound. But inasmuch as we impose certain medical restrictions on immigrants, then we say to the transportation companies that they shall be responsible if these immigrants when they come here are not physically fit.

Sir HENRY DRAYTON: Well, suppose the minister allowed the bill to stop there, with the inspection? But the bill goes past that.

Mr. BELAND: It does not.

Sir HENRY DRAYTON: The Minister of Health is wrong; the bill goes past inspection and includes illness developed on board. It covers illness during the period of detention.

Mr. STEWART (Argenteuil): The immigrant is not inspected during detention.

Mr. BELAND: If an immigrant is medically inspected, is found fit and is passed, then, of course, if on his journey to his destination he falls ill the government is liable for his treatment. But until an immigrant has passed the medical examination, why should he be a charge on the country?

Sir HENRY DRAYTON: No one has suggested that for a moment.

Mr. BELAND: A man leaves Europe; he is in the charge of the transportation company that brings him here. The moment he lands in Canada he is inspected by the immigration authorities and the medical officials. If he is considered to be suffering from any disease he is rejected and the transportation company is held responsible for whatever expenses may have been incurred on his account. And why should they not be held so responsible? Is there any reason why Canada instead of the transportation company, which is paid to bring out immigrants, be made responsible for the expenses involved in cases of illness? Shall we draw the line at Liverpool, at Antwerp or at Quebec?

Mr. BOYS: Where he boards the ship.

Mr. BELAND: That is a point we may dispute. That point of view may be held by my hon. friend but I do not share it myself. I say that so long as the immigrant has not landed in Canada and has not been medically inspected and passed as physically fit, all expenses incurred in the treatment of any illness from which he may be suffering should be borne by the transportation company which has brought him out. There is no reason whatever why we should bear that cost. My hon. friend advances the view that the company having exercised all possible vigilance in the matter, they cannot be accused of negligence. Very well; are we then to be charged with negligence, or are we to pay the cost of any illness in regard to which we have no responsibility? Obviously, either the company or the government must be responsible, and as between the two I say that unquestionably the responsibility should rest with the company.

Mr. BOYS: Why not go a step further and make the transportation company responsible for any illness which the immigrant may develop on his way between St. John and Winnipeg after having passed the authorities at St. John?

Mr. STEWART (Argenteuil): The company could not be responsible then because the country would have accepted the immigrant.

Sir HENRY DRAYTON: So far as I can understand hon. gentlemen opposite, the Minister of Health (Mr. Béland) says that there is inspection before detention while the Minister of the Interior (Mr. Stewart, Argenteuil) says that the inspection is made after detention.

Mr. STEWART (Argenteuil): I did not say anything of the kind; I said that the company could not be held responsible after the immigrant had been passed at inspection.

Sir HENRY DRAYTON: What my hon. friend said was to the effect that if he passed inspection he was not detained.

Mr. STEWART (Argenteuil): Surely he is not, but if he does not pass inspection he is detained, and he is not permitted to enter Canada until he can pass inspection.

Mr. BELAND: My hon. friend knows there are two inspections, medical and civil, and when we say a man has been examined and passed that means he must have passed both inspections.

Sir HENRY DRAYTON: Suppose the civil inspection does not take place, for some good reason and the man is held two months. After he has been held two months and is still under detention he takes some disease. Under this bill the transportation company is liable. Does my hon. friend think that is right?

Mr. STEWART (Argenteuil): If a man is detained he is detained for cause; if there is no cause he is passed. If there is reason for detention he is held until the cause is removed or the steamship company takes him back. My hon. friend shakes his head, but that is the course that is pursued.

Sir HENRY DRAYTON: No.

Mr. STEWART (Argenteuil): Absolutely; if he is not permitted to enter Canada the steamship company takes him back. If he is detained it is usually on account of his health—nine times out of ten.

Mr. BOYS: They should take him back if there is negligence.

Mr. STEWART (Argenteuil): My hon. friend is continually mentioning negligence. You cannot say it is negligence if the ship's doctor examines the passenger before he goes on board. The passenger may take ill on the ocean and he is detained when he lands in Canada, either because he is ill or for some other reason. That is the only time that the cost is paid by the transportation company that brought him to Canada.

Mr. BOYS: Why is the responsibility of the passenger entirely removed? The former act said:

> Then the cost of his hospital treament and medical attention and maintenance shall be paid by such transportation company, and otherwise the cost thereof shall be collected from such person.

The last two lines are left out. There is no further liability on the part of the passenger; the transportation company has to bear it all. Why should that be? Why should the transportation company at least not be permitted to look to the person, if the person is worth it, to pay for the cost of his own sickness or disease or whatever it is?

Mr. ROBB: Is it fair that someone should have the responsibility of taking care of these cases. Perhaps the passenger is not able to finance it himself, and the people who are making the money out of him are the people who are responsible and who should pay. We have been building up straw men and talking of possible cases all evening—of appendicitis that might develop, of pneumonia that might develop. Suppose a transportation company was a bit careless and typhoid fever developed on the ship, who would be responsible?

Sir HENRY DRAYTON: They are, of course. That is negligence.

Mr. BOYS: I do not think the minister is quite fair in suggesting that we are building up straw men; I am taking his own figures. Under the former law if the transportation company were guilty of negligence they were responsible; if they were not guilty of negligence they were not responsible. The minister told us that in 1922 the department paid $6,000 odd, I presume because the transportation companies were not guilty of negligence.

Mr. ROBB: In 1923 we paid only $3,980.

Mr. BOYS: What was the year of the $6,000, then? Anyway, we are only quibbling as to that. If the minister did not say 1922 he said 1921. I think he said 1922.

Mr. ROBB: My hon. friend is correct; in 1922-23 the amount paid was $6,000.

Mr. BOYS: The department paid that because the company was not guilty of negligence. That shows that it is not a case of building up a straw man. All I am trying to find out is why this change is made. There are two changes. In the first place, you are departing from the proposition of negligence, and in addition you are relieving the passenger who, if worth it, certainly should in the first instance pay. If he is not worth it, that might be a different matter. I think the condition with respect to negligence should still prevail. Why is the provision giving the right of recovery against the individual not maintained?

Mr. ROBB: The companies are making a profit out of carrying these people; why should we impose that burden upon the passenger? With regard to the amounts paid, the department paid $3,980 and the immigrants paid $2,577, making a total of $6,557 for 1923-24. We have not the details here, but it is just possible that part of that $3,980 which the department paid was because the immigrant was not able to pay. Is it not fair that the company, which makes so much money out of them, should assume the responsibility?

Mr. BOYS: The minister will not say there is any money in carrying people over and then carrying them back without charge.

Mr. MILLAR: It has been stated that the immigrants receive a medical examination by doctors representing the steamship companies. Do they receive a medical examination from anyone representing the government before they go on board ship?

Mr. ROBB: No.

Mr. SPENCER: Is there any medical examination made on the other side?

Mr. ROBB: Not by Canadian officials.

Mr. MEIGHEN: Nobody wants to see something that is obviously unjust in a law, no matter whether the injustice extends to $100 or to $10,000. If you get a law the principle of which is wrong you are bound to have gross injustices coming out of it and consequently discontent. There is nothing in the law as it has stood that is in the slightest degree unjust. The principle is sound; you can understand it. But something like this is sure to come, perhaps in dozens of cases. A man comes across. He is inspected by the company before he gets on, and everything is all right. He lands, and that is all right. He is not a poor man; he is well off. But perhaps some report has reached Canada that he is an anarchist or that he is of a class that we should not admit to Canada, for some reason. He passes his medical examination on arrival, but he is detained on account of this report, perhaps two, three or four months. It is found that the report is false. But in the meantime the man takes seriously ill, perhaps with smallpox. Who has to pay the expense? According to this bill the minister says the company has to pay it, and the man never has to repay the company.

Mr. ROBB: I am afraid my hon. friend is building up an impossible case. He would not be detained if he passed the medical and civil examinations.

Mr. MEIGHEN: I did not say that at all. I say he did not pass the civil examination; that he is detained on account of a report that he belongs to an objectionable class. He is detained because of a report that he belongs to some class that should not come in, say the anarchist class. He is detained two months pending investigation of that report, and in those two months he takes an illness that results in large medical fees. He is quite able to pay them, and this government passes a law which says that the company which brought him over has to pay.

Mr. ROBB: I never heard of such a case.

Mr. POWER: Are the transportation companies supposed to make the civil examination over there?

Mr. MEIGHEN: No, we make it.

Mr. POWER: On the other side?

Mr. MEIGHEN: An examination into the qualifications altogether? I presume they do, and if they make a mistake they have to pay for it, and that is right, but where pending investigation on our own account, after we have passed him medically, when we are holding him for our own purpose and he takes ill —I am taking an extreme case, but there will be piles of them in between—though he is entirely able to pay for his illness—

Mr. POWER: I understand what the hon. member means, and I think there is a good deal in it, but what I want to know is this: Is it not the duty of the transportation company, before allowing any passenger to embark, to be sure that he fulfils all the civil qualifications? I am not discussing medical requirements.

Mr. MEIGHEN: I think so.

Mr. POWER: Then would not the transportation company be responsible for allowing a person who was an anarchist or a suspected anarchist to come to Canada?

Mr. MEIGHEN: I agree that they should.

Mr. POWER: Then they have committed a certain negligence if they allow an anarchist or a suspected anarchist to come here, have they not?

Mr. MEIGHEN: I do not say suspected, no. If, as a matter of fact, they have done everything they could, have absolutely complied with everything, and not the slightest criticism of any kind can be levelled against them, if the man is all right and the department's information turns out to be wrong, if it turns out also that the man can pay his own medical fees, in the name of all common sense why should we pass a law that says the company has to pay them?

Mr. POWER: I agree, if such a case is possible.

Mr. STEWART (Argenteuil): Does my hon. friend infer that if the man passes the medical examination and is detained for some other purpose, the cost falls on the company?

Mr. MEIGHEN: Certainly, that is the whole clause.

Mr. STEWART (Argenteuil): If my hon. friend will read the next clause, it seems to me it means the inspection on his entry and does not refer to a later inspection.

Mr. MEIGHEN: It is inspection on entry, but not medical examination.

Mr. STEWART (Argenteuil): If the man passes his medical examination and becomes ill later, would my hon. friend infer from this clause that the medical fees are to be paid by the steamship company?

Mr. MEIGHEN: It not only implies that, it absolutely compels it, provided he is detained for inspection for any other purpose.

Mr. ROSS (Kingston): I have known of two or three cases where an immigrant after arrival was detained for a bond which took a week or so to arrive. Does the government say that if he takes ill while waiting for the bond the responsibility rests upon the transportation company, or is the government responsible? I know one immigrant who did take sick while waiting for a bond. Does the government say the transportation company should be responsible in such a case as that?

Mr. ROBB: A bond is required where the immigrant comes in against the law of the land. The companies will be a little more careful about bringing that kind of people in, or they will have the bond ready when they land.

Mr. ROSS (Kingston): The immigrant arrived here to go on a farm, and a bond was required by some person here that he would stay a year on the farm, which he did, but he was detained over a week waiting for that bond.

Mr. ROBB: That was a case, probably, where the immigrant represented himself to be a farmer, but the officer on inspection looked at his hands, perhaps, and said: "This man is no farmer," and he required a bond that he would go on the farm. The transportation people should look after that before they bring the man in.

Mr. ROSS (Kingston): He went on the farm and remained there but yet he was detained a week waiting for the bond.

Mr. ROBB: And as soon as the bond expired he left the farm?

Mr. MILLAR: The minister stated that steamship companies have at times refunded certain sums when they brought in immigrants not medically fit to enter Canada. I would ask, as a matter of information, under what conditions they refunded this money. Who made the representations, and what representations were made?

Mr. ROBB: I do not see what my hon. friend is driving at; I made no such statement. I said the steamship companies gave a refund of $15 a head to passengers from the United Kingdom.

Mr. MILLAR: Was I wrong in understanding that when they brought in immigrants not medically fit they made a refund? I understood the minister to say that refunds were made in such cases.

Mr. ROBB: There is a penalty.

Mr. MILLAR: Have they paid any money in consequence of that penalty?

Mr. ROBB: Yes.

Mr. MILLAR: Under what conditions, and who made the representations?

Mr. ROBB: I will give my hon. friend all that information when we get into the estimates.

Section agreed to.

On section 8—Certain aliens deemed to be undesirable immigrants.

Mr. McMASTER: I shall not detain the committee long, but I would ask the minister whether the department and the country would not be amply protected if the clause should read as follows: "Or shall belong to any secret society or organization which extorts money," and so on. I do not like to give the right to anyone to deport a person on mere suspicion, or mere common repute. It would seem to me that if the law stated that when a person belonged to a society of this undesirable character he could be deported, that would be quite sufficient. The officers of the department would make an investigation, if necessary, and if in their opinion proof existed of the man belonging to such an unworthy organization, he could be deported. I make no objection to swift justice being meted out to such people. I make no objection to the department having this power, because prompt action may be and quite often is necessary, but I do not think it is consonant with the traditions of this country and British traditions generally that people should be exposed to deportation on mere repute, or what is even worse, on mere suspicion.

Mr. ROBB: May I point out that the question of repute comes in in connection with the examination, but it is provided further:

If upon investigation of the facts such board of inquiry or examining officer is satisfied that such person belongs to any of the prohibited or undesirable classes mentioned in sections 40 and 41 of this act, such person shall be deported forthwith, as provided for in section 33 of this act, subject, however, to such right of appeal as he may have to the minister.

Now, I repeat again what I said earlier in the evening that we are here to protect the people of Canada and I am going to see to it that they get that protection.

Mr. McMASTER: I am not going to divide the committee on this question, I would merely repeat what the leader of the opposition said a few moments ago: That if you have a law that is wrong in principle you are likely to have injustice arise from it. If the investigation was for the purpose of determining that the man was guilty, and if after that determination the man would be deported, I would make no objection; but the investigation is to determine whether he comes within this undesirable class, and the undesirable class is defined as those suspected of belonging to such organization. Under those circumstances it seems to me it is not in consonance with our tradition that a man can be deported from this country just because somebody suspects that he belongs to an undesirable organization.

Mr. MEIGHEN: Really I am not often found complaining of the sternness of an immigration law, but I think there is something in what the hon. member argues. I do not know how the former act read, it may have read in this respect in the same way, but those were different times from to-day. That act was passed in very serious years. Really I do not think we ought to pass a law now which makes an immigrant finally declared undesirable merely because he is suspected of belonging to a certain class. I would not have any objection to a law which enabled the minister to detain a man pending his inquiry into the case of one so suspected; but to declare finally and conclusively that once it is established that a man is suspected then he is undesirable per se seems to be fundamentally unjust.

Mr. STEWART (Argenteuil): I may say for the information of the committee that this section has not been changed except that it omits the following proviso from section 41:

Provided that this section shall not apply to any person who is a British subject either by reason of birth in Canada or by reason of naturalization in Canada.

The rest of the section is just the same.

Mr. MEIGHEN: What is left out?

Mr. STEWART (Argenteuil): It applies now only to aliens.

Mr. MEIGHEN: What is the minister reading from now?

Mr. STEWART (Argenteuil): I am reading from the section of last year and that is deleted this year. That is all the change.

Mr. McMASTER: That does not meet my objection at all. The fundamental injustice is just as bad in respect of an alien as it is in respect of a British subject. As a matter of fact some of the undesirable people who have been carrying on extreme agitation in this country have been from the British Isles. That is not the point. The point is that by this section certain classes are defined as being undesirable, and among those classes so defined are people who are suspected of belonging to an undesirable association. The point I wish to drive home to the committee is that it is not fair and it is not just to classify a man as undesirable and turn him out of a country merely because he is suspected of belonging to an undesirable association.

Mr. STEWART (Argenteuil): Yes, but my hon. friend forgets that he gets a board.

Mr. McMASTER: He may get a board but that board is not going to determine whether he is guilty or not but that they suspect he is guilty.

Mr. BOYS: That is the present law.

Mr. McMASTER: I know it is. I object to the present law and I object to the proposed law. Because I do press upon the committee—I am sorry to take up time at this late hour of the session—that it is fundamentally undesirable and fundamentally unjust.

Mr. MARLER: Would my hon. friend wait until he has actually committed some crime?

Mr. McMASTER: I should not wait until he has committed a crime, but we should have some proof before the action which is contemplated is taken.

Mr. MARLER: How can we get proof in a matter of that description?

Mr. McMASTER: Then do not act. It is a principle of British law and British justice that a man should not have any untoward action taken in respect to him unless there is actual proof. To say that because John Sobienski, who has come from Poland, is

suspected of belonging to some undesirable association—that merely because he is suspected he should be subject to deportation shocks my sense of justice.

Mr. MARLER: My hon. friend's argument is wanting in one particular. First of all an immigrant coming over has to acquire British citizenship or Canadian citizenship.

Mr. McMASTER: But supposing he is not guilty.

Mr. MARLER: It does not affect the situation very materially. It seems to me this matter can be very properly left in the hands of the department. Very possibly a few instances may occur where the suspicion is unfounded, but cases of this description may properly be left in the hands of a competent minister. The provision may shock the susceptibilities of my hon. friend from Brome in certain ways, but we have to take a reasonable chance in matters of this description.

Mr. MEIGHEN: I do not quite get the minister's distinction. I do not want to press the matter further, but really in these times I would agree with the hon. member for Brome. I am ready to give the minister every possible latitude so that if he himself comes to the conclusion that there is reason to believe, even though it is not proven, that a man is of that class he may send him back. But what class? Anarchists—under the class defined here somebody suspected of being an anarchist. However, I did not rise for the purpose of pressing that question. The Minister of the Interior stated that the only difference between this bill and last year's act was that in the statute there was a clause which stated that this should not apply to anyone—

Mr. STEWART (Argenteuil): To British subjects.

Mr. MEIGHEN: And that is deleted. Well, if this is deleted the act will apply to a person from Britain or anywhere else.

Mr. ROBB: No. What is deleted is:

Provided that this section shall not apply to any person who is a British subject either by reason of birth in Canada or by reason of naturalization in Canada.

Mr. BOYS: What section is that?

Mr. ROBB: The balance of the section was placed in the act by my right hon. friend. He thought it was pretty good and I agreed with him at that time.

[Mr. McMaster.]

Mr. MEIGHEN: I am very glad indeed but we had to take considerable criticism for it. I am prepared to provide the same thing still except in that one respect; I do not think we ought to go quite that length in these more peaceful times. But my point is this: As I understand the minister even yet he reads something which he says is no longer part of the act, but the something which he reads is to the effect that the act shall not apply to a certain class of British subject. When he deletes that it makes it apply.

Mr. ROBB: No, I will read what the bill says:

Whenever any alien advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada, or other British dominion, colony, possession or dependency, or the overthrow by force or violence of constituted law and authority, or assassination, or shall by word or act create or attempt to create riot or public disorder in Canada, or shall by common repute belong to or be suspected of belonging to any secret society or organization which extorts money from, or in any way attempts to control any resident of Canada by force or threat of bodily harm, or by blackmail; such person for the purposes of this act shall be considered and classed as an undesirable immigrant, and it shall be the duty of any officer becoming cognizant thereof, and the duty of the clerk, secretary or other official of any municipality in Canada wherein such person may be, to forthwith send a written complaint thereof to the Minister of Immigration, giving full particulars.

Then the Minister of Immigration starts an inquiry under this, and if the facts are proven justice is swift and sure, and he goes back.

Mr. MEIGHEN: The minister has read out the section of the act and he is passing it—the same section.

Mr. ROBB: Yes. The previous act applies to British and Canadian subjects.

Mr. MEIGHEN: Will the minister read the exact part he refers to?

Mr. ROBB: The amendment reads:

Provided that this section shall not apply to any person who is a British subject either by reason of birth in Canada or by reason of naturalization in Canada.

Mr. BOYS: That is not the vital change.

Mr. ROBB: I will admit the hon. gentleman is right. I have been wrongly advised. This is the act that I have read.

Mr. BOYS: That is not the vital change in the act. The first line or two of the proposed section reads:

Whenever any alien advocates in Canada the overthrow by force or violence of the government of Great Britain or Canada.

And so on. The opening words of the former section were:

Every person who by word or act in Canada seeks to overthrow by force or violence.

And so on. The proposed amendment would accord in measure with the former section if the words were left out which the minister says are to be stricken out, namely:

Provided that this section shall not apply to any person who is a British subject either by reason of birth in Canada or by reason of naturalization in Canada.

The proposed amendment goes very much further, and would apply to a resident of Great Britain.

Mr. ROBB: No.

Mr. BOYS: Perhaps I am wrong.

Mr. ROBB: If he was a resident of Great Britain and not a British subject.

Mr. BOYS: The former section applies to a British subject.

Mr. ROBB: Yes.

Mr. BOYS: Who was not by reason of birth in Canada or naturalization in Canada, and so on. The present act applies only to aliens. That is really the change.

Mr. ROBB: Yes.

Mr. BOYS: It would seem to me that if there was one person who should be deported above all others, it would be a British subject who was coming to Canada for the purposes mentioned in the act. I do not know why that change should be made. I personally would be more inclined to forgive an alien for an offence of that kind than a person from the British Isles.

Mr. BELAND: The hon. member thinks the new clause is not strict enough?

Mr. BOYS: I do not see any reason for the change. Surely a resident of the British Isles coming here and advocating such a proposition as is referred to in this section should be treated as severely as an alien. Why is it necessary to make that change?

Mr. STEWART (Argenteuil): He was disqualified under the act of last year.

Mr. BOYS: Pardon me, the language of the previous act was "every person." That would apply to everybody, no matter where he came from. The exception is found in the last two or three words, as follows:

Provided that this section shall not apply to any person who is a British subject either by reason of birth in Canada or by reason of naturalization in Canada.

These are the only two exceptions. Surely it cannot be argued that that would apply to a resident of the British Isles? It certainly would not. Why is it necessary to exclude him? I would forgive an alien much quicker than I would a British subject for an offence of this kind. What prompted the minister to make this change?

Mr. ROBB: I am bound to say that, now my attention has been directed to it, I share very largely the views of my hon. friend.

Mr. BOYS: I am glad I am right for once.

Mr. MEIGHEN: The minister will now come to the conclusion that when the late government passed legislation it was not very far out.

Mr. BOYS: I agree with that.

Mr. GRAHAM: It took the hon. member for Simcoe (Mr. Boys) to show it.

Mr. McMASTER: Would there not be a way to meet the desires of the leader of the opposition, the member for Brome and the member for South Simcoe all at the same time? Make this law apply to British subjects as well as to aliens.

Mr. BOYS: It applies to them now.

Mr. McMASTER: Or strike out the provision in reference to suspicion, and do not have British subjects or aliens deported on mere suspicion. Make the one law apply to everybody, and have it a law which meets our idea of justice.

Mr. HOEY: Give them a trial by jury.

Mr. BOYS: I must admit I share the views of the member for Brome in regard to finding any one guilty on suspicion. Personally I think this law is a move in the right direction, and I would be willing to take a chance on it; so that if the minister can accede to the request I would have no objection. I read the act more or less hurriedly, but it seems to me the words are exactly the same. The former section read:

Or who, by common repute belongs to or is suspected of belonging to any secret society or organization.

And so on. I think the words are identical in the proposed amendment, and for my part I do not seek to make any change, although I appreciate the argument that nobody should be found guilty of an offence

or deported merely on suspicion. However, the other feature seems more important than that, and I would make it apply to a British subject.

Mr. NEILL: If I might venture into the field of law, I would suggest that there is nothing very much wrong with the section as now drafted. Formerly it applied to every person who committed any of these offences. That was a general provision, but it exempted British subjects by reason of birth in Canada, or by reason of naturalization in Canada.

Mr. MEIGHEN: Canadians.

Mr. NEILL: Yes. But it did allow deportation by means of a summary investigation of an alien or British-born subject?

Mr. MEIGHEN: Yes.

Mr. NEILL: Now they are going to amend it and leave out the last few words, and the British-born subject and the Canadian subject will be entitled to a trial. That is the change and it seems to me desirable. The hon. member for Brome wants to go further and give the alien a trial as well.

Mr. MEIGHEN: If he comes from Britain he is of that class and the law does not declare him to be undesirable at all.

Mr. NEILL: Which law?

Mr .MEIGHEN: The old law.

Mr. NEILL: Would the hon. member explain that again?

Mr. MEIGHEN: Under the old law if he came from Britain and was of such a class he would be declared undesirable, the same as if he came from any other country. Under the law as proposed to be amended if he comes from Britain he is not declared to be undesirable at all. He is presumed to be desirable.

Mr. NEILL: And the act does not apply it all.

Mr. MEIGHEN: No.

Mr. ROBB: I am advised that substantially the same amendment as is now proposed was passed twice by this House, but was thrown out by the Upper House. For that reason I do not think I would like to change it, but would like to put it through as it stands.

[Mr. Boys.]

Mr. STEWART (Argenteuil): It has always been held that this was drastic action against a British subject. That is the fight we have had every year. I assume the department is now trying to get away from that.

Mr. MEIGHEN: It was contended—and a terrible row was raised over it—that we had perpetrated an offence against the individual, but there was nothing in it; it was all pure fudge from beginning to end.

Section agreed to.

On section 9—Arrest or prosecution of rejected or deported person remaining in or returning to Canada except in case of inability to comply with rescinded order in council.

Mr. MEIGHEN: What is the difference between this law and the previous law?

Mr. ROBB: Under the present law he was not prohibited from returning, but under this amendment he will be prohibited from returning if convicted under the Opium and Narcotic Drug Act.

Section agreed to.

On section 10—Cost of maintenance of rejected immigrant pending return.

Mr. MEIGHEN: What is the difference between this and the previous law? The explanation is longer than the change.

Mr. ROBB: The amendment to section 44 is in keeping with the amendments to sections 19 and 34. As the law now stands, the transportation company is not responsible for any maintenance during detention, that is prior to rejection. Where a large number of passengers are waiting to be examined, it sometimes happens that passengers are held in the immigration building for a period involving maintenance cost. The amended section places upon the transportation company all costs from the time of arrival until the time of admission or time of deportation, as the case may be.

Mr. MEIGHEN: This is just of a piece with the other. If the department detains a man even though it finally turns out that there was no case at all, all the expenses of detention shall be paid by the transportation company.

Mr. ROBB: I am informed that the transportation companies are now paying this cost. This is only putting in the law what they

are actually carrying out. This is supposing that a number of boats come in and passengers are detained for a time before they are passed. The period may be half a day or more. My hon. friend will see how this will work out to the advantage of the transportation people. This is where they are detained in the immigration hall before they are passed on and examined and cleared. It suits the transportation company to get them out of the boat into the immigration hall because the boat may clear and proceed to another port. If we did not have this provision, we might hold the boat out in the stream until the passengers were cleared, so that this is not costing the transportation companies so much.

Mr. BOYS: The former section read:

The cost of his maintenance, while being detained at any immigrant station, as well as the cost of his return, shall be paid by such transportation company except as provided in section 19 of this act.

That was the old section. It is rather difficult just at a glance to appreciate the change. What is accomplished by the proposed section which repeals the former section?

Mr. ROBB: This will apply to cases where he is rejected. Section 44 reads:

Every immigrant, passenger, stowaway or other person brought to Canada by a transportation company and rejected by the board of inquiry or officer in charge, shall, if practicable, be sent back to the place whence he came, on the vessel, railway train or other vehicle by which he was brought to Canada.

When he comes in now, the liability dates from the time he arrives. Prior to this, the transportation company was not liable between the time he had arrived and the time he was rejected.

Mr. BOYS: The minister may be right. The language of the old section is:

The cost of his maintenance, while being detained at any immigrant station.

Again I ask: What does the new section provide which was not taken care of by the former section?

Mr. ROBB: It provides for the period between his arrival and his examination. The old section provided only for his expenses after rejection. This provides for his expenses prior to his rejection as well.

Mr. BOYS: I have read the minister the former section.

Mr. ROBB: If my hon. friend will read the first part of it.

Mr. BOYS: I will read the whole section:

Every immigrant, passenger, stowaway or other person brought to Canada by a transportation company and rejected by the board of inquiry or officer in charge, shall, if practicable, be sent back to the place whence he came, on the vessel, railway train or other vehicle by which he was brought to Canada. The cost of his maintenance while being detained—

Mr. ROBB: After rejection.

Mr. BOYS: What is the distinction?

Mr. ROBB: Now they will pay for him from the time he was landed to the time of rejection.

Mr. MEIGHEN: They will have to do that anyway in any case. The only distinction that I can see is that under the old act he had to be finally a rejected immigrant to come under this at all, but if he did come under it, then all the costs before rejection or after it, if there were any, must be paid. But if he never became a rejected immigrant, then under this change, the transportation companies have to pay the costs of detention during examination.

Mr. ROBB: No, they only paid after he was rejected. Prior to this they were not responsible.

Mr. MEIGHEN: That is not the act as read by my hon. friend.

Mr. ROBB: That is the interpretation the officials have placed upon it.

Mr. MEIGHEN: If they go home and look it over, they will see they are wrong. I see the difference and it is a difference right in line with the difference which the minister has enacted in the previous legislation about the sick people.

Mr. ROBB: Exactly.

Mr. MEIGHEN: The difference imposes this extra obligation upon a transportation company. It says: You bring a man over. He is all right. We examine him through, for a while, to be sure that he is all right. We find that he is all right. Previously, you did not have to pay the expense during the examination; now you have to do so. In the name of common justice, why should they have to? It is penalizing the company for bringing in the right kind of people.

Mr. BOYS: Personally I appreciate very much the new method of explaining these amendments. They are most useful and without them I do not know that we could do as well as we are doing at present; we find the previous clause quoted and in some cases the amendments are outlined. That is very

helpful. But when we come to this section we find that splendid system which has been recently adopted, and which I most heartily approve of, forsaken entirely. We do not find anything in the section underlined to show what the new part is, nor is there anything on the opposite page giving an explanation. I am yet unable to grasp the distinction between this section and the other one. I think the former section applied to detention, at time of rejection, and, after rejection, the cost of return, and it seems to me that the new section does exactly the same thing. If the immigrant did not return, under the old section there was responsibility for the period of detention and no longer and under the new section the responsibility is for the period of detention.

Mr. MEIGHEN: The old section is premised, the presumption being that the man is ultimately rejected; but the new section is not. The new section applies to cases where there is no rejection and makes the company liable nevertheless; that is to say, the company performs its duty perfectly well, and brings in the right class of immigrant. But the government detains him for some purpose of its own and ultimately finds that he is perfectly acceptable; yet it makes the company pay the expenses incurred during that detention. That is the new law. It would be exactly the same if the responsibility were put upon one of the churches or upon the liquor board or any body of that kind. Why make the company pay?

Mr. ROBB: They pay on the principle that they are responsible for all charges until the man is admitted to the country.

Mr. MEIGHEN: I can understand that there are certain things for which the company would be responsible. But why make them responsible for doing right? That beats me. There is no soundness or sanity in the principle; it is not founded on anything that appeals to the mind at all. If the country for its own purposes examines a man, and the minister, exercising his judgment, says he is perfectly acceptable and that the company did the right thing in bringing him, having taken every precaution that was necessary, why make the company pay because the man has been detained?

Mr. ROBB: They are paying now, up to the moment that the man is admitted. The companies have been paying these charges in New York for years.

[Mr. Boys.]

Mr. MEIGHEN: I suppose they would if they had to. I would far rather make them pay what they are entitled to pay. The thing ought to be put on some common sense basis.

Mr. ROBB: It is on such a basis now.

Mr. MEIGHEN: Dear me.

Mr. BOYS: The only change I see in this section seems to be that the words "except as provided for in section 19 of this act," which appear in the old section 44, seem to be left out of the new section. In the old section this language appears but it does not appear in the new one. Is that the only change? Section 19 deals with the appeal from the board, and possibly this change is all that is intended by the amendment.

Mr. ROBB: The amendment to section 44 is in keeping with the amendments to sections 19 and 34. As the law now stands the transportation company is not responsible for maintenance or detention charges prior to rejection. Where there are a large number of passengers to be examined it sometimes happens that passengers are held in the immigration building for a period involving maintenance cost, and the amended section places all costs from the time of arrival until the time of admission or deportation, as the case may be, upon the transportation company. As to detention costs, it will be of interest to note, as I pointed out before, that last year they amounted to less than 25 cents per head on the total.

Mr. BOYS: I do not think that statement can be quite correct because under the former law the transportation companies were not responsible for all costs: they were responsible for all costs in case of negligence but not otherwise. I do not think that is correct, but even that does not explain the point I have brought to the attention of the minister.

Mr. ROBB: The whole language has been re-drafted.

Section agreed to.

On section 11—Application of act to Chinese.

Mr. MEIGHEN: What is the effect of the change?

Mr. ROBB: The only change is to amend section 79 by inserting after the word "act" in the second line the figures "1923." The hon. member for Comox-Alberni (Mr. Neill), made some observations a moment ago which I said I would take into consideration.

12 m.

Mr. MEIGHEN: I presume that the act of 1923 repealed the former act and consequently this change is necessary.

Mr. ROBB: Yes.

Section agreed to.

Bill reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. ROBB: If there is no objection, there is a resolution regarding Finland that we might advance to the stage of introducing the bill. It is order No. 56.

Mr. MEIGHEN: What does it do?

Mr. ROBB: It gives us the benefit of their favoured nation treatment. As to the business done, they sold us last year $6,000 worth and we sold them $1,754,000 worth. We can discuss the principle when we get into the bill.

Mr. MEIGHEN: Well, I would not object to the matter being advanced to the second reading so that no time will be lost, but I would prefer not to have the resolution pass in the absence of the hon. member for West York (Sir Henry Drayton).

Mr. ROBB: All right.

On motion of Mr. Graham, the House adjourned at 12.05 a.m. Friday.

END OF VOL. IV